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# Daily Report

# East Asia

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# Daily Report
## East Asia

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**NOTICE TO READERS:** An * indicates material not disseminated in electronic form.

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## ASEAN Agriculture, Forestry Ministers Meet

### Indonesia Links Trade, Conservation

*BK0111044591 Bangkok THE NATION in English 1 Nov 91 pp B1, B10*

[Text] Chiang Rai—Indonesian Forestry Minister Hasrul Haraphap, the leader of the ASEAN mission to counter the West's anti-tropical timber campaign, said yesterday that opening up markets in industrial countries would be a reasonable exchange for forest conservation in this region.

He also urged industrial countries to stop calling on ASEAN, particularly Indonesia, Malaysia and the Philippines, to shoulder the burden of maintaining an ecological balance by keeping their forest intact.

These developing countries, he said, need to develop their economies and feed their huge populations. The West, with its huge proportion of the world's pollution, should start looking at itself and correct the mistakes it had made.

The European Community, to which Harahap led a mission last year, were the prime targets of his criticism.

Harahap, who is in Chiang Rai for the 13th meeting of the ASEAN Ministers of Agriculture and Forestry, told THE NATION that lip service by the West would not help to protect rainforests, nor would it help to rehabilitate the worsening environment.

The European Community, during annual consultations with ASEAN earlier this year, threatened to cut development assistance to the group unless improvements were made in areas concerning environmental protection and human rights.

An Indonesian source added that Indonesia, on behalf of ASEAN, will send two more missions to Japan and Austrlia, where the anti-tropical timber campaigns are gaining momentum, before the end of the year.

The move is aimed at carrying on dialogue with friendly governments to counter the growing anti-logging sentiment in this tropical region. At the beginning of this year, Harahap led a mission to the United States and Canada to "exchange views with counterparts."

At the opening of the meeting yesterday, Harahap was elected vice chairman of the meeting. Thai Agriculture Minister Anat Phaphirom was nominated by Malaysia to chair the session.

The election of Haraphap is seen as reinforcing his position to speak out on the forest issue on behalf of the 24-year-old ASEAN grouping of Brunei, Indonesia, Malaysia, the Philippines, Singapore and Thailand.

The anti-tropical campaign by the West dominates the agenda of the Chiang Rai meeting becasue of the level of public perception it has gained in the West.

ASEAN senior officials have recommended to the agriculture and forestry ministers that independent states have a sovereign right to exploit their own resources and that the developed countries should increase their own forest cover. They should also provide new and additional financial resources, as well as the transfer of environmentally sound technology, at concessional and preferential terms to developing countries to enable them to better manage, conserve and develop their forest resources.

The recommendation was reflected in Harahap's comments when he told THE NATION that developed countries, with their advanced technology, can better serve the world's environmental interest than by paying lip-service through the provision of technology and opening markets to developing countries, particularly ASEAN.

Moreover, the senior officials had proposed the removal of trade barriers and all forms of unilateral action to restrict or ban the use of timber and other forest products and the provision of better market access and better prices for higher value-added products.

### Thailand Urges Agricultural Integration

*BK0111050391 Bangkok THE NATION in English 1 Nov 91 p B10*

[Text] Chiang Rai—Thai Agriculture Minister Anat Aphaphirom has renewed his call on the Association of Southeast Asian Nations (ASEAN) to foster closer economic ties to counter emerging economic groupings and to strengthen its collective bargaining power with trading partners.

At the opening session of the 13th Meeting of the ASEAN Ministers of Agriculture and Forestry in this northern resort town, Anat made clear that unless the six ASEAN nations move towards closer ecconomic cooperation, their cooperative advantages in the world markets, especially for farm products would be severely affected.

ASEAN economic ministers, at their meeting in Kuala Lumpur last month, decided to exclude agriculture and capital goods from regional trade liberalization, although they endorsed the Thai initiative which called for the creation of an ASEAN Free Trade Area (AFTA).

Anat's message yesterday was seen as "last-minute lobbying" to push his counterparts from the other five ASEAN member countries to agree to integrate the farm sector in the free trade proposal, which will be adopted at the coming Fourth ASEAN Summit in late January when the heads of the six ASEAN governments meet in Singapore.

The exclusion of agriculture from regional trade liberalization was believed to be initiated by Malaysia and Indonesia which have maintained that self-sufficiency in food and food security are of extreme importance.

In the morning, when Anat accompanied his ASEAN counterparts to pay a courtesy call on Prime Minister Anan Panyarachun, government sources said that the premier urged all ASEAN members to drop their reservations made at the economic ministers meeting last month.

ASEAN groups together Brunei, Indonesia, Malaysia, the Philippines, Singapore and Thailand.

A source present at the meeting said Prime Minister Anan told the ministers that he hoped ASEAN would gradually integrate agriculture into the free trade zone. Under the proposal, tariffs among ASEAN countries for trade of manufactured and processed farm products will be reduced over a period of 15 years to zero percent to facilitate greater flows of goods and investment in the region.

In his speech, Anat suggested the ASEAN Free Trade Zone be viewed as sharpening the group's comparative advantage in the world market.

"The initiative for the ASEAN Free Trade Area by the Prime Minister of Thailand Anan Panyarachun, which has been endorsed by the ASEAN economic ministers recently, is very consistent with this trend," the minister noted.

According to a report by the Jakarta-based ASEAN Secretariat, trade barriers exist for ASEAN exports into Australia, Canada, the United States and the European Community.

Anti-dumping measures which are used to offset price advantages of ASEAN exports, the agency said, were frequently invoked, disrupting trade from ASEAN to these respective markets.

Despite on-going consultations between ASEAN and these dialogue partners, ASEAN was disappointed at the improvement and the degree of trade expansion with these countries.

According to Anat, farm exports of developing countries including ASEAN have suffered from production policies of industrial countries which provide massive subsidies to their farmers as well as protection in the forms of tariff and non-tarifff barriers.

"It is also evident that agricultural trade in the world will be more competitive, and yet protectionism is still prevalent," the minister added.

With an increasing number of countries taking unilateral actions against trading partners, Anat said with notable concern that economic groupings in Europe, North America and between Australia and New Zealand "will certainly have a strong impact on trade and investment in the ASEAN region."

"Our agriculture will also suffer as a consequence," the minister said in his keynote speech after he was elected chairman of the 13th meeting.

"It is therefore inevitable that we, the ASEAN countries, have to join hands to form even closer economic ties. Although we have had some progress, I think a great effort by all of us will be needed," he stressed.

### Trade Zone Products Selected

*BK0111034991 Bangkok THE NATION in English 1 Nov 91 p A?*

[Text] Chiang Rai— The forestry and agriculture ministers of the ASEAN countries yesterday adopted a proposal to include 12 farm products, including nine items proposed by Thailand, in the proposed ASEAN Free Trade Area (AFTA) to strengthen the group's bargaining power in international markets.

Nevertheless, some of the ministers maintained that agriculture should not be integrated into AFTA, which was initiated by Prime Minister Anan Panyarachun. They believed that agriculture was too sensitive an issue to domestic politics and the economies of the Southeast Asian members.

Agriculture Minister Anat Aphaphirom, who chaired the 19th Meeting of the ASEAN Ministers of Agriculture and Forestry which opened yesterday in Chiang Rai, said all of the agriculture items proposed by Thailand were adopted for inclusion in AFTA, as well as cocoa, pepper and seaweed which were recommended by Malaysia and the Philippines.

The nine products suggested by Thailand were frozen chicken, frozen shrimps, canned pineapple, palm oil, rubber, timber, tapioca products, canned seafood and coconut oil.

The meeting proposed the inclusion of these products in AFTA in view of the fact that ASEAN's agricultural export growth was being hindered by trade barriers imposed by developed countries. These barriers included sanitary and phytosanitary regulations, tariff structures and quantiative restrictions such as quotas and import bans.

"Under the circumstances, there is now a pressing need for ASEAN to group together in the trade promotion and negotiations of its agricultural products so as to enhance the competitive posture and sustained expansion of ASEAN agricultural exports," the minister said.

According to Anat, three criteria would be used to determine future ASEAN farm products. There must be a significant overseas market share; substantial income would have to be earned by farmers; and the products should be of benefit to all ASEAN countries and not any specific company or group of companies.

This comment was believed to have been made in defence of his deputy, At Taolanon, a former senior executive of Charoen Phokkhaphan Group, Thailand's largest agro-industrial concern which has a dominating 50 percent-plus share of the domestic processed food market.

## Japan

### Unconditional Farm Imports Tariffication Rejected

*OW0111064391 Tokyo KYODO in English 2333 GMT 31 Oct 91*

[Text] Geneva, Oct. 31 KYODO—A senior Agriculture, Forestry, and Fisheries Ministry official, who is in Geneva to try to break the deadlock in the Uruguay Round of multilateral trade talks, Thursday rejected calls for placing tariffs on all farm imports without exception.

Jiro Shiaku, vice minister for international affairs, made his remarks to Arthur Dunkel, director general of the General Agreement on Tariffs and Trade (GATT) during their meeting in Geneva.

If presented with Dunkel's proposal to replace all trade barriers with tariffs, Japan will call for its withdrawal or revision, Shiaku said.

Dunkel responded by saying unconditional tariffs are the framework for the farm negotiations, Japanese sources said.

He was quoted as saying that Japan and South Korea were the only countries that have refused to accept the tariffication plan.

In a related development, members of a GATT working level group on agricultural technology were unable to resolve their differences over farm exports and other matters at the final meeting of their latest round of talks held Thursday in Geneva, the sources said.

### Cabinet Commends Progress in Mideast Peace Talks

*OW0111085191 Tokyo KYODO in English 0814 GMT 1 Nov 91*

[Text] Tokyo, Nov. 1 KYODO—Japan offered encouragement Friday to participants in the Middle East peace talks underway in Madrid and said Tokyo is prepared to cooperate in regional reconstruction once progress toward peace is achieved.

"To have Israelis and Arabs sit at the same table after a long era of strife is a mark of great progress," Chief Cabinet Secretary Misoji Sakamoto told a regularly-scheduled news conference.

Sakamoto said he hopes for an early peace agreement, after which Japan would respond to the best of its ability to requests for cooperation.

He declined to respond as to whether Japan foresees a political role for itself, saying it is too early to say.

A U.S. official accompanying Secretary of State James Baker in Madrid expressed hope earlier in the day Japan and other countries would assist in areas such as arms control, economic reconstruction, environment, refugees, and water rights at a later stage.

### Government Wary of Sino-Iranian Nuclear Tie-Up

*OW0111034191 Tokyo KYODO in English 0316 GMT 1 Nov 91*

[Text] Tokyo, Nov. 1 KYODO—Japan responded cautiously Friday to U.S. intelligence reports that China has exported nuclear technology to Iran, saying that it would probe the issue "within the context of Sino-Japanese friendship."

Chief Cabinet Secretary Misoji Sakamoto said the government has no information about the U.S. allegations that China's civilian nuclear cooperation with Iran could be used by the Iranians to develop a nuclear weapons program, but it would take the "appropriate measures" if it determines they are true.

Asked whether the government planned to take up the issue with China, Sakamoto replied the government would do so "within the context of Sino-Japanese friendship."

"The proliferation of nuclear weapons is a very grave matter and must not be permitted," he said.

China has denied that it made available nuclear arms technology to Iran.

Japan announced earlier this year that it would consider curbing Official Development Aid (ODA) to nations that spend excessively on weapons procurement, or are involved in proliferation of weapons of mass destruction.

Chinese leaders told Prime Minister Toshiki Kaifu during a trip to Beijing in August that China intends to sign the 1968 Nuclear Nonproliferation Treaty that curbs exports of nuclear weapons technology.

### SDP Official To Meet Burmese Nobel Laureate

*OW3110133791 Tokyo KYODO in English 1230 GMT 31 Oct 91*

[Text] Tokyo, Oct. 31 KYODO—Manae Kubota, former Social Democratic Party (SDP) vice chairman, left for Myanmar [Burma] Thursday evening to meet detained Nobel Peace Prize laureate Aung San Suu Kyi.

Kubota will make the visit alone as a representative of the Socialist International Women, an affiliate of the London-based Socialist International, of which the SDP is a member.

She will urge the Myanmar Govenment to allow a meeting with Suu Kyi and to release her.

Aung San Suu Kyi, the 46-year-old daughter of modern Myanmar's founding father Aung San, was awarded the prize earlier in October for her efforts to bring democracy to her country.

She has been under house arrest since 1989.

## New Requirements Placed on Sakhalin Project Bids

*OW0111042191 Tokyo KYODO in English 0349 GMT 01 Nov 91*

[Text] Tokyo, Nov. 1 KYODO—Minister of International Trade and Industry Eiichi Nakao on Friday said that Japanese bidders on a Sakhalin natural resources project have received additional requests from the Sakhalin Government.

There have been recent news reports that the Sakhalin Government now is requiring promises to develop the island's infrastructure in bids for rights to explore oil and natural gas reserves off the Soviet island.

Six international groups, including a Japanese team, are vying for rights to develop the reserves.

During a regular press conference after the day's cabinet meeting, Nakao confirmed that the Sakhalin Government imposed the new conditions on October 18.

The additional requirements reportedly involve 15 billion dollars in investment and loans for development of transport systems, telecommunications, agriculture, and other industries.

A group led by Sakhalin Oil Development Cooperation Co.,a joint venture between the Japanese Government and private firms, is reportedly ahead in the contest for the Sakhalin project, which is expected to cost about 10 billion dollars to develop.

## Italian Businessmen Agree To Boost Cooperation

*OW3110191591 Tokyo KYODO in English 1446 GMT 31 Oct 91*

[Text] Tokyo, Oct. 31 KYODO—Japanese and Italian business leaders agreed Thursday to increase cooperation in third countries such as the Soviet Union, and Eastern European and Asian nations.

The accord came as they got together here for their third meeting of its kind to discuss a wide range of business matters. Among participants were Yoshitoki Chino, former chairman of Daiwa Securities Co., and Umberto Agnelli, president of Italian automaker Fiat Auto S.P.A.

They also agreed to promote exchanges of young businessmen between the two countries, give each other greater access to each other's markets and foster mutual investment.

On exchanges of young businessmen, Japanese companies will invite five Italian businessmen next April as business trainees.

In a related development, Agnelli disclosed at a press conference that the Export-Import Bank of Japan and its Italian counterpart are in agreement that they will provide funds jointly for Japanese- Italian projects in third countries.

## Cabinet Discusses Social Changes Among Children

*OW0111075491 Tokyo KYODO in English 0627 GMT 01 Nov 91*

[Text] Tokyo, Nov. 1 KYODO—The number of children who refuse to go to school or exhibit listlessness is growing by the year, making Japan's trade minister worried.

Eiichi Nakao, minister of international trade and industry, told a cabinet meeting Friday that the future of the nation could be jeopardized by the trend.

The last decade has seen the number of children who refuse to go to school soar from 14,000 in 1980 to over 40,000 last year.

An advisory group in a report on youth submitted to Prime Minister Toshiki Kaifu on Thursday suggested that Japanese youth are becoming more intolerant and selfish due in part to Japan's growing prosperity.

Excessive competition in schools and proliferation of television and computer games are causing children to become withdrawn, it said.

The report cited the growing prevalence of nuclear families where both parents work as a reason why children are less adept nowadays at interpersonal relations, including traditional associations based on respect for seniority and compassion for those younger.

Man Sasaki, director general of the Management and Coordination Agency, told the regular cabinet session that he believed the increasing number of single-child families was behind the worrying trends and suggested a boost in Japan's falling birthrate as a solution.

Kaifu, while agreeing that children without siblings lack socialization skills because they have "fewer opportunities to squabble," noted that there is no easy answer to the sagging birthrate.

"The birthrate is an individual issue. The government cannot intervene directly," he said.

Reports that Japan's birthrate has fallen to 1.57 children per mother alarmed Japanese leaders last year and set government officials scurrying to map out ways to maintain social services with a shrinking work force.

Kaifu, who is set to leave office Tuesday, was advised by the Committee on Youth Thursday that the government should step up school counseling services, expand the school curriculum to nonacademic areas such as recycling and nature appreciation, and encourage youth in volunteer programs.

## Agriculture Ministry Predicts Poor Rice Harvest

*OW3110092291 Tokyo KYODO in English 0807 GMT 31 Oct 91*

[Text] Tokyo, Oct. 31 KYODO—Japan will reap a poor rice harvest this year, the first bad harvest since 1980, because of damage caused by typhoons, the Ministry of Agriculture, Forestry, and Fisheries predicted Thursday.

The ministry said the 1991 harvest was rated 95 or slightly bad against a normal level of 100 as of October 15.

The harvest index stood at 87 in 1980, the ministry said.

The ministry said rice output this year is estimated at 9,654,000 tons, falling below the 10 million ton level for the first time since 1988.

The ministry said two typhoons, which cut through the Japanese main islands in October, were responsible for the poor harvest.

## Two More Politicians To Leave Mitsuzuka Faction

*OW0111134891 Tokyo KYODO in English 1311 GMT 01 Nov 91*

[Text] Tokyo, Nov. 1 KYODO—Two more members will leave the Mitsuzuka faction within the ruling Liberal Democratic Party to join a group led by former party Policy Board Chairman and Mitsuzuka rival Mutsuki Kato, Home Affairs Minister Akira Fukida said Friday.

Fukida, who along with six other Kato supporters earlier quit the Mitsuzuka faction led by former Transport Minister Hiroshi Mitsuzuka, said he handed in the resignations of House of Representatives members Kazuo Eguchi and Matsusho Miyasato to faction executives Friday. But executives said they would not accept the resignations until they had confirmed them with the two members themselves, he said.

Mitsuzuka, who finished third in the October 27 LDP presidential election, ousted Kato from the faction after a revolt against his faction leadership.

Mitsuzuka faction losses to the Kato camp, which now total ten including Kato, have dropped the second largest party faction to third place among a total of five.

Fukida said the group will be formally established by the end of November.

## Miyazawa Orders Review of Expenditures

*OW0111134191 Tokyo KYODO in English 1307 GMT 1 Nov 91*

[Text] Tokyo, Nov. 1 KYODO—Kiichi Miyazawa, the newly elected president of the ruling Liberal Democratic Party (LDP), on Friday ordered a senior Finance Ministry official to review proposed expenditures under a fiscal 1991 supplementary budget.

Government officials said Miyazawa gave the order to Jiro Saito, director general of the ministry's Budget Bureau, who called on him to report on fiscal problems.

Saito told Miyazawa a serious revenue shortfall is expected in the current fiscal year because of the economic slowdown and the ministry plans to limit expenditures under the supplementary budget to disaster relief and other priority programs.

The officials said Miyazawa told Saito to make a complete review of the expenditures so that past efforts toward administrative and fiscal reforms will not end in failure.

## Foreign Investment in Securities Remains Buoyant

*OW0111111491 Tokyo KYODO in English 0942 GMT 1 Nov 91*

[Text] Tokyo, Nov. 1 KYODO—Bargain hunters and growing hopes for lower interest rates combined to keep foreign investment in Japanese securities buoyant in September, the Finance Ministry reported Friday.

Foreign investors bought a record 12,327 million dollars more in stocks and bonds on the Japanese market than they sold in September, up sharply from August's 8,762 million dollars.

This brought their total net purchases of Japanese securities to 34,438 million dollars in the first half of fiscal 1991, which ended September 30.

They bought a net 9,087 million dollars in Japanese stocks and a net 3,239 million dollars in bonds, both figures setting records.

A ministry official said both cheap Tokyo stock prices and the recovering market momentum lured foreigners into the market, where the primary barometer, the Nikkei index, surged over 2,000 yen to 24,000 yen.

Foreigners also bought more Japanese bonds, encouraged by a possible cut in the official discount rate, he said.

Japanese investors, in contrast, bought less foreign securities last month with net purchases of 1,771 million dollars, compared with August's 3,595 million dollars.

Softening stock markets overseas and the caution shown by institutional investors prior to the book closing at the end of September resulted in a net 131 million dollars in sales of foreign stocks.

Japanese investors remained the net buyers of foreign bonds but their net purchases totaled a modest 1,902 million dollars against 3,832 million dollars the previous month.

September figures translate into a net 36,517 million dollars' worth of purchases by Japanese investors of foreign securities in the first six months of the current fiscal year.

In the April-September period, foreigners' net purchases of Japanese stocks and bonds amounted to 18,523 million dollars and 15,915 million dollars, respectively.

Domestic investors bought 2,974 million dollars worth of more foreign stocks than they sold and bought 33,543 million dollars more in foreign bonds.

Underneath is the balance of securities investments in million of dollars for September released Friday by the Finance Ministry.

**Foreign Investments in Japan**

| | purchase | sales | net |
|---|---|---|---|
| stocks | 15,132 | 6,044 | 9,087 |
| bonds | 17,387 | 14,148 | 3,239 |
| total | — | — | 12,327 |

**Japanese Investments Abroad**

| | purchase | sales | net |
|---|---|---|---|
| stocks | 2,943 | 3,074 | -131 |
| bonds | 100,331 | 98,429 | 1,902 |
| total | — | — | 1,771 |

Note: 1. Bond investments exclude short-term securities. 2. The figures are different from those based on the balance of international payments.

### Foreign Exchange Reserves Increase in Oct

*OW0111100391 Tokyo KYODO in English 0929 GMT 1 Nov 91*

[Text] Tokyo, Nov. 1 KYODO—Japan's foreign exchange reserves at the end of October rose 277 million dollars from the previous month to 67,189 million dollars, the Finance Ministry said Friday.

It was the second straight month of increased reserves following a three-month decline that started in June.

Foreign exchange reserves consist of convertible foreign currencies, gold, and international monetary fund special drawing rights.

At the end of September, reserves had climbed 24 million dollars to 66,912 million dollars.

A ministry official said in comparison with other countries, Japan's foreign reserves of 66.8 billion dollars ranked third at the end of August.

The U.S. topped the list with 74.7 billion dollars, while Taiwan, based on July's figures, came second with 74.5 billion dollars. Germany was in fourth place with 64.6 billion dollars, followed by Spain with 61.3 billion dollars.

Yen-dollar exchange rates moved in a relatively narrow range during October, the official said. The dollar hit the month's high of 133.36 yen October 2 and weakened to a low of 128.65 yen October 14.

Trading in the foreign exchange market was more active in October, the official noted. Daily average volume for spot yen-dollar transactions totaled 8.8 billion dollars compared with 5.3 billion dollars in September. However, the figure was smaller than the volume of 10.1 billion dollars in October last year.

### New Trade Figures Raise Concerns Over Friction

*OW0111092891 Tokyo KYODO in English 0851 GMT 1 Nov 91*

[Text] Tokyo, Nov. 1 KYODO—Japan's current account surplus rose 90.9 percent in September, vaulting a 2.5-fold increase in the April-September period from the same period one year earlier, and is raising concerns about renewed friction with Japan's trade partners.

The Finance Ministry announced Friday that Japan posted an 8,830 million dollar current account surplus in September, up 90.9 percent from a revised 4,625 million dollar surplus a year earlier.

That brought the accumulated surplus in the first six months of fiscal 1991 up 148.6 percent to 38,013 million dollars, the ministry said.

The unadjusted trade surplus soared 41.0 percent from the year earlier level to 10,946 million dollars in September and jumped 66.4 percent in the April-September period to 51,188 million dollars.

A ministry official, however, downplayed the increases, saying he does not believe the underlying trend has changed to a chronic expansion of surpluses.

The official traced the massive trade surplus to a negative shift in net purchase of gold and declining import prices, due in part to the yen's appreciation.

Japan sold 2.4 billion dollars of gold in the April-September period, which was a big change from the same period last year, when it imported some 7 billion dollars worth of gold.

Of the 20.4 billion dollar year-on-year increase in trade surplus in the six-month period, the gold factor accounted for 9.5 billion dollars and the price factor was responsible for another 10.2 billion dollars, of which the yen's upswing accounted for 4.4 billion dollars, the official said.

But economists in the private sector raised the specter of politically painful trade disputes.

"This sharp increase in the surplus raised the question whether there was really any structure adjustment in Japan's imports since the Maekawa report," said Paul Summerville, chief economist at Jardine Fleming Securities Ltd., who added, "I guess the answer is there really wasn't."

Pointing to the fact that manufactured imports have fallen from their peak level, when they were 52 percent of the total imports, to around 45 percent, Summerville said, "It's gonna open old questions about Keiretsu and closed Japanese markets."

Summerville said Japan's imports are skewed toward raw materials and consumption goods, which means that imports drop sharply when the economy slows down and consumption slackens.

"You don't really have a balanced import structure in Japan," he said, observing, "this is being exposed in the current increase in trade surplus."

Katsuhiro Murakami, senior economist at the Industrial Bank of Japan's Research Department, said the trade surplus will hit 100 billion dollars in fiscal 1992.

With the domestic demand weakening rapidly, Japanese manufacturing companies are driving up exports, Murakami said, "otherwise they can't get enough profits to pay for their recent costly investments."

Since the trade deficit with Japan accounts for a large portion of the total U.S. external imbalance, President George Bush will probably touch on the issue when he visits Japan in late November, Murakami said.

Summerville said, however, that there is either Japan or the U.S. can do to reduce the imbalances.

"They can't really increase Japan's domestic demand and they can't get the americans to save more money," he said.

The Finance Ministry official also said although the amount of surplus is high by historical standards, it is unlikely to lead directly to another period of increased trade friction because the size of Japan's economy has also increased considerably.

The surplus related to Japan's gross national product is still half of what it was when it reached a peak of more than 4 percent several years ago, the official noted.

Murakami argued, however, that Japan's trading partners, especially the U.S., will not buy such an argument.

According to Friday's figures, September exports increased 7.3 percent from a year earlier to 26,989 million dollars, while imports fell 7.7 percent to 16,043 million dollars.

For the six month period ending in September, exports surged 9.5 percent from a year before to 148,921 million dollars, while imports declined 7.1 percent to 97,733 million dollars.

Japan posted a 1,804 million dollar "invisible" trade deficit in September, down from a 2,066 million dollar similar deficit one year earlier.

In the April-September period, the invisible trade deficit shrank 16.4 percent to 11,138 million dollars.

A steep increase in investment income surplus contributed to the paring down of the deficit, the Finance Ministry official said.

Japan's investment income surplus rose 28.7 percent in September to 2,425 million dollars and picked up 28.6 percent in the first half of fiscal 1991 to reach 12,408 million dollars.

**Balance of payments (in millions of dollars)**

| | Apr-Sept '91 | Apr-Sept '90 |
|---|---|---|
| current account | 38,013 | 15,292 |
| trade | 51,188 | 30,763 |
| exports | 148,921 | 136,010 |
| imports | 97,733 | 105,247 |
| invisible trade | -11,138 | -13,324 |
| transfer payments | -2,037 | -2,147 |
| long-term capital | 22,782 | -26,232 |

**Balance of payments (in millions of dollars)**

| | Sept. '91 | Sept. '90 |
|---|---|---|
| current account | 8,830 | 4,625 |
| trade | 10,946 | 7,765 |
| exports | 26,989 | 25,155 |
| imports | 16,043 | 17,390 |
| invisible trade | -1,804 | -2,066 |
| transfer payments | -312 | -1,074 |
| long-term capital | 14,057 | 5,701 |
| basic balance | 22,887 | 10,326 |
| short-term capital | -6,926 | 4,257 |
| errors and omissions | -19 | -3,798 |
| overall balance | 15,942 | 10,785 |

## Drop in First-Half Construction Orders Reported

*OW3110133991 Tokyo KYODO in English 1216 GMT 31 Oct 91*

[Text] Tokyo, Oct. 31 KYODO—Orders received by the top 50 Japanese contractors in the first half of fiscal 1991 dipped 0.8 percent from a year earlier to about 13,611 billion yen, marking the first year-on-year setback for a fiscal half since the April-September period in 1983, the Construction Ministry said Thursday.

Officials attributed the drop in the April-September half to sluggish orders from the real estate industry, which fell 26.9 percent to 2,134.2 billion yen.

Private-sector orders, including those placed by the real estate industry, dropped 4.6 percent, year on year, to 10,035.7 billion yen. Public-sector orders, however, gained 17.3 percent to 2,985.5 billion yen.

Overseas orders dipped 13.8 percent to 334.1 billion yen.

Housing orders sank 29.9 percent to 1,581.4 billion yen, for the first decline in seven fiscal halves.

### Unemployment Rate Unchanged at 2.2 Percent in Sep

*OW0111020091 Tokyo KYODO in English 0126 GMT 01 Nov 91*

[Text] Tokyo, Nov. 1 KYODO—Japan's seasonally adjusted unemployment rate stood at 2.2 percent in September, the same rate as in August, the government said in a preliminary report released Friday.

The seasonally adjusted unemployment rate has been drifting in the 2.0 to 2.2 percent range since September 1989.

The size of the nation's work force, including the unemployed, stood at 65.78 million in September, an increase of 1.15 million or 1.8 percent over a year ago, the Management and Coordination Agency said in the report.

The male work force totaled 38.87 million, up 1.6 percent, and female workers numbered 26.91 million, up 2 percent.

The number of jobless people in September totaled 1.41 million, an increase of 30,000 or up 2.2 percent over a year ago. They included 761,000 men and 640,000 women.

Japanese employed totaled 64.37 million in September, an increase of 1.11 million, up 1.8 percent over a year earlier, and comprised 38.11 million men and 26.26 million women.

A breakdown of those in work showed there were 8.74 million self-employed, down 1.1 percent from a year before, 5.27 million family workers, down 1.3 percent, and 50.15 million salaried workers, up 2.5 percent.

By industry, agriculture-forestry accounted for 4.45 million, down 1.5 percent from a year earlier, construction 5.96 million, up 3.8 percent, manufacturing 15.66 million, up 4.4 percent, wholesale-retail and food services 14.35 million, down 0.7 percent, and services 14.61 million, up 3.6 percent.

Meanwhile, the Labor Ministry said the ratio of job openings to job seekers in September stood at a seasonally adjusted 1.37, down 0.03 point over August.

The figure means there were 137 job openings for every 100 job seekers in September, ministry officials said.

## North Korea

### U.S. Nuclear Umbrella Policy for South Denounced

*SK0111045691 Pyongyang KCNA in English 0433 GMT 1 Nov 91*

["Preposterous Sophism Reversing Black and White"—KCNA headline]

[Text] Pyongyang November 1 (KCNA)—NODONG SINMUN today comments on the never-ending smear campaign in the United States slinging mud at us over the question of nuclear inspection.

The news analyst says:

Some U.S. media charge that we are diminishing the possibility of the relaxation of nuclear strain on the Korean peninsula, taking issue with our remarks at the North-South high-level talks that the South Korean authorities are crying for "nuclear umbrella" and "nuclear protection" with illusion about the U.S. nuclear weapons.

It is only too natural that we mentioned the U.S. "nuclear umbrella" for South Korea. It stands out as an urgent problem which brooks no further delay to remove the danger of a nuclear war on the Korean peninsula. We have demanded time and again that the U.S. authorities withdraw all the nuclear weapons from South Korea and give us legal assurances that they would not pose nuclear threat to us.

The U.S. authorities, however, are blaring that they would keep South Korea under their "nuclear umbrella," while talking about the withdrawal of their nuclear weapons from South Korea.

This means that they would continue to threaten us with nuclear weapons in the future. Under such condition the U.S. nuclear threat to us would not be dispelled, even though nuclear weapons are taken out of South Korea.

As long as South Korea remains under the U.S. "nuclear umbrella protection" the U.S. nuclear threat to us will continue, whether the nuclear weapons are in South Korea or taken to the U.S. mainland and whether they are tactical or other kinds.

The very source of the danger of a nuclear war must be eradicated on the Korean peninsula. The United States, however, by declaring that it would continue to render "nuclear umbrella protection" to South Korea, is creating a new obstacle not only to the removal of the nuclear threat from the Korean peninsula, but also in the way of our solution of the nuclear safeguards accord [NSA] problem.

It is the United States that is blocking the way of the relaxation of nuclear strain on the Korean peninsula and obstructing the solution of the problem of our signing the NSA by scheming to continue nuclear threat to us with outcries for "nuclear umbrella."

### Allied Exercise Said 'Provocative and Aggressive'

*SK0111060191 Pyongyang KCNA in English 0450 GMT 1 Nov 91*

["Reckless War Gamble Against Dialogue and Reunification"—KCNA headline]

[Text] Pyongyang November 1 (KCNA)—The "Eagle 91" large- scale joint military exercise started by the U.S. imperialists and the South Korean puppets against our

Republic on November 1 is a dangerous war game which will render the situation of our country more strained, says NODONG SINMUN in a signed commentary today.

The news analyst points out:

We cannot be an onlooker at the massive war exercises staged by the U.S. imperialists and the South Korean puppets against the North.

The "Eagle 91" joint military exercise launched by the U.S. imperialists and the puppets this year is very provocative and aggressive in view of the military strength or of the content of the manoeuvres. The war exercise is, to all intents and purposes, an anti-North attack exercise aimed at guerrilla attack and surprise attack against the northern half of Korea.

What matters is that no sooner had the South Korean authorities gone back after the inter-Korean high-level talks than they started the large-scale war exercise against the North, the dialogue partner, together with the United States.

Now is the high time the North and the South refrained from a military action threatening the other side and getting on its nerves and created an atmosphere of reconciliation and unity.

Nevertheless, the South Korean authorities are staging one more large-scale war exercise together with the U.S. imperialists. This is, in the true sense of the word, an anti-dialogue, anti- reunification criminal act and an open challenge to us.

We cannot but doubt how much enthusiasm would be shown for the settlement of the peace and reunification question by those who have begun a war game in league with the foreign forces shortly after they talked about "confidence- building," "peace" and "unification" at the negotiating table with us.

The South Korean authorities must not do such faithless act as staging a war after talking about peace.

### U.S. Reconnaissance Along MDL Reported

*SK0111050091 Pyongyang KCNA in English 0429 GMT 1 Nov 91*

[Text] Pyongyang November 1 (KCNA)—The U.S. imperialist aggressors let the U-2 high-altitude strategic reconnaissance plane make repeated flights for hours between the east and the west from the West Sea of Korea along the Military Demarcation Line [MDL] on October 29 and 30 for aerial espionge on strategic targets in the depths and inland area of the northern half of Korea, and such missions numbered more than 30 in October, according to military sources.

On October 29, they brought early warning plane E-3 to the air above South Korea from their Pacific base to make a shuttle flight between the east and the west for aerial photographing and espionage on the depths of the North side and its espionage flights numbered seven in the month.

On the same day, they let electronic warfare helicopter EH-60 fly repeatedly from Kanghwa Island to Yonchon area along the MDL and from Yonchon area to Sokcho for the purpose of electronic reconnaissance on the forward area and the frontline area of the North side.

They also made army strategic spy planes of various types fly to the air above the MDL in two or three sorties almost every day for intensive photographing and electronic reconnaissance on the frontline area of the North side.

The espionage flights by different reconnaissance planes totalled more than 200 in October.

### South Said 'Fearful' of DPRK-Japan Talks

*SK0111065191 Pyongyang KCNA in English 0455 GMT 1 Nov 91*

["Folly of Traitors Dismayed at DPRK-Japan Talks"—KCNA headline]

[Text] Pyongyang November 1 (KCNA)—At the intergovernmental full-dress talks for the normalisation of DPRK-Japan diplomatic relations held on several occasions we strongly demanded that the Japanese Government authorities make an official apology for the sufferings and damages inflicted by Japan upon the Korean people in the past period and make a due compensation for them.

The South Korean puppets are quite nervous, fearful of the exposure of their treacherous acts at the time of the part "talks" between South Korea and Japan. They are trying to conceal their criminal acts by dissuading Japan from responding to our demand for official apology and compensation.

Commenting on this, a NODONG SINMUN analyst points out:

The South Korean puppets have put and is putting pressure upon Japan not to go at the DPRK-Japan talks beyond the scope of the settlement reached at the South Korea-Japan "talks". A few days ago, the South Korean puppet ambassador to Japan stated that what have been discussed between South Korea and Japan and what will be discussed between North Korea and Japan must be the same in nature and legal terms and urged Japan to refuse the mode of post-war compensation and reparation demanded by North Korea.

In other words, the South Korean puppets contend that Japan should liquidate the past with the North in the same way as the "agreement" they signed with Japan in 1965. This is a silly jargon that we should also commit treachery as they did.

The "agreement" concluded between the South Korean puppets and Japan is run through with treacherous contents.

The South Korean people lift up voices charging that Japan neither apologized nor compensated for its past crimes.

The South Korean puppets talk about "supplementary compensation" and the like in an attempt to quell the South Korean people's accusation against their treacherous crimes, while entreating the Japanese to conclude DPRK-Japan talks within the scope of the "agreement" signed between them and Japan.

This is a foolish act to conceal the crimes committed by the preceding traitors against the nation, which can be done by those who think they can force others to do treacheries.

We bitterly denounce the South Korean puppets who suggest that we should also commit treacheries like them, while preventing the realization of our just claims for compensation, fearful that their crimes should be brought to light.

If Japan is to apologize for the human and material losses, misfortunes and sufferings imposed on the Korean people, it must fully compensate accordingly. Japan can never evade this responsibility.

Japan must not intend to sit with us with the same attitude and position as they did with the group of traitors in the past.

If the South Korean puppets continue to meanly work to dissuade Japan from making an official apology and compensating for the sufferings and losses imposed on the Korean people in the past, they will face a stern judgement by the entire Korean people and the unbiased public opinion of the world.

## Official Contacts South on Women's Symposium

*SK0111105291 Pyongyang KCNA in English*
*1011 GMT 1 Nov 91*

[Text] Pyongyang November 1 (KCNA)—Yo Yon-ku, Presidium member of the Democratic Front for the Reunification of the Fatherland [DFRF], had sent to the South side's preparatory committee for the second symposium on "Peace of Asia and Role of Women" scheduled in Seoul, proposing a contact between women delegates of North and South in Panmunjom to discuss working matters. [sentence as received] But the South Korean authorities barred it for the unjustifiable reason that it is a contact between civilians.

So, she sent a letter containing working matters on the symposium to the South side's preparatory committee through Panmunjom at three p.m. today.

Since the preparatory contact between North and South women failed to be held in Panmunjom, she said, I am informing the South side's preparatory committee of the North side's opinion on some working matters concerning the organization of the symposium. It is desirable that the symposium is held from December 7 to 12, taking into consideration its preparation, the delegation, as it is the first women's delegation going to Seoul, includes six or seven delegates, three or four support personnel and five or six reporters at least and the delegation of Korean women in Japan includes two delegates each from Chongnyon [General Association of Korean Residents in Japan] and Mindan [South Korean Resident's Association in Japan] and one delegate from Handongnyon [Federation of South Koreans in Japan for Democracy and Unification] so they can represent all segments of Korean women in Japan, she said. [sentence as received]

As for the agenda items, she agreed with the view of the South side's preparatory committee but in the reunification question, she suggested that the South side, too, should make an address on the theme like the North side. As regards inspection and timetable of sojourn, we are of the opinion that one university and one factory where there are many women should be chosen as visiting places, where we hope to give lectures and have roundtable talks.

As for the formalities of our delegation's passage through Panmunjom and other working matters, they may be discussed in Panmunjom a week before its travel into Seoul, she said.

## WPK, Malaysian Youth Group Sign Agreement

*SK3110152891 Pyongyang KCNA in English*
*1501 GMT 31 Oct 91*

[Text] Pyongyang October 31 (KCNA)—An agreement between the International Department of the Central Committee of the Workers' Party of Korea [WPK] and the youth organization of the United Malay's National Organization [UMNO] of Malaysia was signed in Kuala Lumpur on October 29 .

According to the agreement, Datuk Mohamed Bin Rahmat, general secretary of the United Malay's National Organization of Malaysia met and had a friendly conversation with a WPK delegation. Talks and conversations were held in a friendly atmosphere between the WPK delegation headed by Kim Yong-sun, secretary of the WPK Central Committee, and Datuk Sri Haji Mohamed Najib, vice-president of the United Malay's National Organization, member of the UMNO Supreme Council and chairman of UMNO youth organization, and leaders of the UMNO Supreme Council.

It says:

Considering that to further develop the friendly and cooperative relations between the two parties and two countries of the Democratic People's Republic of Korea and Malaysia on the principles of sovereignty, independence, peace and non-alignment accords with the interests and desire of the two peoples and with the common desire of the Asian and Pacific peoples who aspire after the building of a new nonaligned and neutral world of freedom and peace, the sides agreed as follows at the talks and conversations: 1) The sides shall develop the relations between the parties on the principles of independence, equality, reciprocity, mutual support and solidarity. 2) The sides shall exchange delegations and congratulatory letters and informations on the occasion of party congresses and main memorial days including their founding anniversaries. 3) The sides shall cooperate with each other to develop on a broader scale the friendly and cooperative relations between the DPRK and Malaysia in their mutual interests. 4) Considering that the Non-aligned Movement plays an affirmative role in transforming the world and developing the international relations, the sides shall make this movement uphold its basic principles and idea in conformity with the demand of the present situation and support and cooperate with each other to help it fulfil its mission as a viable organization. 5) The sides shall cooperate with each other to see that the countries of the Asia- Pacific region establish a new international order and support and closely cooperate with each other in the building of a new society. 6) The sides shall support the establishment of a nuclear-free, peace zones in Northeast Asia, Southeast Asia and the Pacific region. 7) The sides shall support international conferences and symposiums sponsored by political parties, organizations and individual figures to establish nuclear-free zones in the Asia- Pacific region and put forward joint proposals to this end. 8) The sides consider that the reunification of Korea should be realized in a peaceful way through dialogue between the North and the South of Korea in conformity with the desire of the Korean people and regard that it pertains to the right of the Korean people.

The agreement was signed by Kim Yong-sun, secretary in charge of international affairs of the WPK Central Committee, on behalf of the International Department of the WPK Central Committee and Haji Mohamad Nazri Bin Abdul Aziz, member of the Supreme Council of the UMNO, vice-president of the youth organization and director of International Department, on behalf of the youth organization of the UMNO.

## Kim Il-song Receives Rwandan Ambassador

*SK0111112591 Pyongyang KCNA in English
1017 GMT 1 Nov 91*

[Text] Pyongyang November 1 (KCNA)—The great leader President Kim Il-song today received Augustin Karamage, ambassador e.p. [extraordinary and plenipotentiary] to Korea from the Republic of Rwanda, when the latter paid a farewell call on him. Present on the occasion was Vice-Premier and Foreign Minister Kim Yong-nam. President Kim Il-song had a conversation with the ambassador.

## KCNA Reviews 1 Nov NODONG SINMUN

*SK0111061391 Pyongyang KCNA in English
0440 GMT 1 Nov 91*

[Text] Pyongyang November 1 (KCNA)—NODONG SINMUN today carries a message of greetings sent by President Kim Il-song of the Democratic People's Republic of Korea to Algerian President Chadli Bendjedid on the occasion of the 37th anniversary of the start of revolution in Algeria and his message of greetings to Vere Cornwall Bird, prime minister of Antigua and Barbuda, on the occasion of the tenth anniversary of the independence of the country.

Appearing in the paper are letters to the great leader President Kim Il-song from various countries on the occasion of the month of support to the proposal for founding the democratic confederal republic of Koryo and the DPRK's admission to the United Nations.

The paper runs an article on the efforts made by the dear leader Comrade Kim Chong-il to train all the bereaved children of revolutionaries of the country to be dependable hardcore elements so that they may give a steadfast continuity to the vitality of the revolution.

Given in the paper is an account of a meeting held here on the lapse of one year after Comrade Kim Chong-il sent a historical reply letter to the members of the Second Party Cell of the Department No. 5 of the Korean Central News Agency.

The paper in an article says that our intellectuals are stoutly walking along the road of the cause of chuche indicated by the party and the leader with a single heart of loyalty and filial duty.

The paper editorially calls for energetic efforts to fulfil the plan for this year.

Econews of the paper includes a report that more than 40 units and workteams of the Komdok mining complex have fulfilled their yearly plans.

"Chuche-Based View on the Worthy Life and Happiness of Revolutionaries" is the title of a NODONG SINMUN article.

The paper comes out with a commentary titled "Folly of Traitors Dismayed at DPRK-Japan Talks".

The paper in a commentary denounces the scheme of the South Korean puppets to start the large-scale joint military exercises codenamed "Eagle 91" against our Republic on November 1.

The U.S. imperialists and the South Korean puppets staged aerial joint war exercises against the North, according to the paper.

In a semimonthly review of the South Korean situation the paper condemns the anti-peace, anti-reunification stand of the South Korean authorities.

The paper rounds up voices of the world progressive public circles praising our country as the homeland of chuche and socialist country of independence, self-support and self-reliance in defence.

Jiang Zemin, general secretary of the Central Committee of the Communist Party of China, met with Samdech Norodom Sihanouk, Yang Shangkun, president of the PRC, paid a state visit to Pakistan and the chairman of the Council of Ministers of Vietnam visited Indonesia, says the paper.

The paper reports that the Chinese PEOPLE'S DAILY published an article contributed by Chinese young people saying that socialism has a broadest prospect and capitalism will meet its doom, Cuba denounced the U.S. blockade and a solidarity meeting of the working people for vital rights was held in Moscow.

The paper in a commentary captioned "Preposterous Sophism Reversing Black and White" charges that some U.S. media are persistently slandering the DPRK over the problem of nuclear inspection.

The paper observes the 37th anniversary of the start of revolution in Algeria and the tenth anniversary of the independence of Antigua and Barbuda.

NODONG SINMUN runs an article exposing the brutal massacre committed by the Japanese imperialists in Korea in 36 years.

## South Korea

### Two 'Violent' Anti-U.S. Demonstrations Held

*SK0111011991 Seoul YONHAP in English 0054 GMT 1 Nov 91*

[Text] Seoul, Nov. 1 (YONHAP)—Several hundred university students, hurling firebombs and rocks, clashed with riot police in two separate demonstrations here Thursday, less than a month since a radical student group vowed not to use firebombs any more.

About 500 students at Konguk University fought with teargas- firing riot police for several hours Thursday afternoon, tossing hundreds of firebombs and rocks after holding a campus rally.

The students were protesting against a U.S.-South Korea agreement which calls for South Korea to provide materials and facilities for U.S. troops in case of war.

Meanwhile, about 200 students at Kyonghui University, demanding the release of their leader, staged a violent demonstration, hurling some 400 firebombs at riot police and halting traffic outside their campus for more than an hour.

Chondaehyop [National Council of University Student Representatives], a nationwide alliance of of radical students, declared on Oct. 1 that it would impose self-restraint on the use of firebombs in an apparent effort to win sympathy from the general public.

On Thursday, however, Chondaehyop held a press conference and said it will stage violent demonstrations during November and early December to mark a national convention of labor unions and voice its opposition to the U.S.-South Korea agreement.

### Taegu Students Throw Fire Bombs at USIS

*SK0111142691 Seoul KBS-1 Radio Network in Korean 1400 GMT 1 Nov 91*

[Text] University students in Taegu threw approximately 10 fire bombs at the USIS facility, but did not damage it.

According to a riot policeman guarding USIS, five or six university students abruptly rushed out from the Dental College of Kyongbuk University, which is opposite USIS, and threw fire bombs while shouting anti-U.S. slogans.

After demonstrating for an hour against in downtown Taegu with approximately 200 other university students at 1800 this evening, they threw fire bombs during a rally at the Dental College of Kyongbuk University. They were protesting opening imports and supporting the Wartime Host Nation Agreement.

### Paper Urges U.S. To Temper Trade Pressure

*SK0111083691 Seoul CHUNGANG ILBO in Korean 29 Oct 91 p 3*

[Editorial: "United States Should Restrain Itself in Calling on Korea To Open Up Its Market"]

[Text] Trade relations between Korea and the United States are once again on a sharp collision course. In the face of the onslaught of the old and new points of contention, the governments of the two countries will certainly be engaged once again in verbal war over the pending trade issues before the year-end when they are expected to hold frequent contacts and meetings.

The war of nerves between Korea and the United States over issues ranging from the opening of the rice market to foreign competitors, which is part of the Uruguay Round negotiations, to how quickly and how much Korea should open its market to foreign banks and the campaign against excessive consumption and imported luxury goods is entering an acute stage. Ironing out the different positions of the two countries alone is an enormous burden on trade and diplomacy between them.

In addition, the United States has lodged a protest with the Korean Government concerning the Bank of Korea's investigation into credit card holders' records showing their overseas spending, and legislation in the making for the purpose of restricting the "pyramid-type" sales method, branding it as an expression of an intention to curb imports. Moreover, the United States is reported to have protested the Home Affairs Ministry's plan to collect tax from containers passing through Pusan port as an unfair practice in maritime transportation and demanded that such things be stopped or straightened out, according to a report in the 28 October issue of CHUNGANG ILBO.

It is well known that the United States has put indiscriminate, across-the-board trade pressure on Korea. However, the new issues raised by the United States are timed to coincide with the visits to Korea by U.S. President Bush, Commerce Secretary Mosbacher, and U.S. Trade Representative Carla Hills, who are scheduled to arrive in Seoul in November and December, respectively. But they also have been brought up when the U.S. presidential election is only a year away and the deadline for the settlement of the Uruguay Round negotiations, which are linked to the former, is just around the corner. So, our attention is all riveted on them.

We are not going to examine every issue raised as they all will certainly be discussed by the trade officials of the two countries. There is one point we would like to emphasize to the U.S. side, however. It is that the United States should take precautions to avoid the appearance of putting pressure or meddling in the internal affairs of our country by calling for realizing fair trade practices.

Some of the many means the government employs to enforce policies often produce byproducts that, far from achieving the effect that the government had expected in the first place, effectively work to curb imports. This being the case, the United States has tended to make an issue of the way government policies should be enforced, arguing that the policies are chiefly aimed at curbing imports.

The U.S. protest of our government's investigation into credit card holders is a case in point. No one can fault our country's austerity policy given our economic situation. Also, there is no question that such an austerity policy will have an impact on both domestic and imported goods.

In this case, the United States, which clings to the pattern of relying on such macroscopic economic means as monetary volume and interest rates in enforcing its policies, should generously understand and recognize that Korea, which often embraces myopic, stopgap measures in enforcing its economic policies, observes somewhat different customs.

In the face of the rough waves in trade and diplomacy, our government, too, should arm itself with more powerful means with which to counter. The government and the National Assembly recently have been unanimous in voicing their absolute opposition to the opening of the rice market. It may have been an effective instrument in demonstrating their unwavering resolve, but it will end up being empty talk unless it is accompanied by strategy and logic to translate it into action. The government should heed the voices that say our government's effort to counter them is too naive in view of the trends in which trade feuds are becoming more murderous and harsher with each passing day.

## Soviet Envoy Says Russia Wants Agricultural Help

*SK0111011491 Seoul YONHAP in English 0035 GMT 1 Nov 91*

[Text] Seoul, Nov. 1 (YONHAP)—The Russian Republic hopes to operate joint-venture farms with South Korea and wants Korean enterprises to develop its farmland on a long-term lease, Soviet Ambassador to Seoul Oleg Sokolov said Thursday.

Meeting with Rep. Kim Yun-hwan, secretary-general of the ruling Democratic Liberal Party and concurrently Korean-side chairman of the Korea-Soviet Parliamentarians' Friendship Association, Sokolov said Russia also hoped the Korean Government would send agricultural technicians, offer training for Russian farmers and farming-related officials, and provide farm implements, meat and dairy processing equipment and agrochemicals.

Sokolov said these hopes would be documented soon and relayed to the Korean Government through official channels.

"The Russian Republic has completed legal steps on land reform, including privatization of land. It needs the support of the Republic of Korea and other countries in the course of changing the method of farm management," Sokolov was quoted as saying.

He said Russia could pay for such support in the form of barter trade or by utilizing a 3 billon-U.S.-dollar loan Korea has promised the Soviet Union.

Underlining the shared need of the Soviet and Russian Governments for Korea's support in the agricultural sector, he said Soviet officials could come to Seoul to brief the Korean Government on their positions.

Kim told the ambassador that he would convey the proposal to the government and would make efforts to realize bilateral cooperation in the agricultural field.

Rep. Chong Chang-hwa, chairman of the National Assembly Agriculture, Forestry, Fisheries Committee, who was at the Kim- Sokolov meeting, said such cooperation could benefit both governments in tackling agricultural problems.

He said he would discuss with his committee sending a parliamentary inspection team to Russia.

## Moscow Wants Goods, Not Cash for Trade Center

*SK0111070591 Seoul YONHAP in English 0543 GMT 1 Nov 91*

[Text] Seoul, Nov. 1 (YONHAP)—The Soviet Union wants to be paid in kind, not cash, for the 25 million-U.S.-dollar 49-year lease on the planned Korea Trade Center in Moscow, the Korea Trade Promotion Corp. (Kotra) said Friday.

Moscow City recently informed the state-run corporation of its decision to seek goods rather than cash to pay the lease on the 2.5- hectare site for the trade center. Moscow's shopping list includes consumer goods, bulldozers, excavators and other construction equipment.

The trade center is now in the planning stage.

It was to be a joint-venture project, but has been fully taken over by Korea.

Daewoo, Lucky-Goldstar Corp. and Samwhan Corp. have notified the Trade Promotion Corp. they want to participate in the trade center project. Other Korean companies, including Lotte group and Pohang Steel and Iron Corp., are likely participants but have yet to indicate their decision, according to Kotra.

## Party Leader, Japan's Miyazawa Discuss Issues

*SK0111065991 Seoul YONHAP in English 0525 GMT 1 Nov 91*

[Text] Tokyo, Nov. 1 (YONHAP)—South Korean ruling party leader Pak Tae-chun and Japanese ruling party President Kiichi Miyazawa talked Friday about North Korea's implementation of a nuclear safeguards accord, Tokyo-Pyongyang normalization of relations and economic cooperation between their nations.

Pak, who arrived in Tokyo after touring Canada and the United States, told Miyazawa that talks on normalization of relations between North Korea and Japan should be directed toward improving inter-Korean dialogue and securing peace on the Korean peninsula.

Miyazawa, to be elected Japanese prime minister next week, shared Pak's opinion, an official close to the meeting said.

Calling North Korea's nuclear development a threat to peace and stability on the Korean peninsula and in northeast Asia, Pak asked for Japanese cooperation in getting the North to open its nuclear facilities to outside inspection.

Pak, co-chairman of the Democratic Liberal Party, also asked Miyazawa to help ease the chronic trade imbalance between the two nations and expedite technology transfer to Korea.

## EC Support Asked for Rice Exclusion at GATT

*SK0111030691 Seoul YONHAP in English 0240 GMT 1 Nov 91*

[Text] Brussels, Oct. 31 (YONHAP)—A group of South Korean Government officials met with European Community leaders Wednesday and Thursday [30 and 31 October] and asked them to support Seoul's policy of keeping its rice market closed.

The Korean officials, headed by Vice Agriculture, Forestry and Fisheries Minister Yi Pyong-sok, visited Mrs. van Rooy, foreign trade minister of the Netherlands and concurrently chairman of the EC Council, and Rolf Moehler, deputy director-general of Directorate-General 6 of the EC Commission that specializes in agricultural negotiations.

Yi told van Rooy that "tariffication without exceptions" as suggested by Arthur Dunkel, director-general of the General Agreement on Tariffs and Trade [GATT], would have a very serious impact on Korea "politically and culturally."

Korea should be recognized as an exception to tariffication, he said, stressing that settlement of the Uruguay Round trade talks could not be viewed as genuine success if it was achieved by the sacrifice of a specific country.

Rice tariffication would mean a virtual collapse of Korea's agricultural industry, he said. The staple provides Koreans with 50 percent of their calorie intake, accounts for 50 percent of farmers' incomes and grows on 60 percent of the farmland. In addition, 85 percent of Korean farmers are rice farmers, he explained.

Van Rooy said the Uruguay Round talks would fail to build a new trade order if exceptions were recognized for all nations with different problems.

The Dutch minister said, however, that she fully understood the Korean position and would convey it to EC Commission Vice President Frans Andriessen through a series of EC consultations.

Yi and van Rooy also discussed bilateral cooperation and the minister said her country could transfer floricultural techniques to Korea if requested.

In his meeting with Moehler, Yi asked for support for Seoul's position to keep its rice market closed. Moehler said he understood the situation, but cited the need for tariffication without exceptions.

The Korean officials will leave for home Saturday after meeting with GATT Director-General Dunkel and negotiators from major trading countries Friday.

## ROK, SRV Colleges Sign Sisterhood Agreement

*SK0111082091 Seoul YONHAP in English 0751 GMT 1 Nov 91*

[Text] Seoul, Nov. 1 (YONHAP)—South Korea's Tanguk University and Vietnam's Hanoi Polytechnical University signed a sisterhood agreement Friday, opening the way for exchanges of students, faculty and academic events.

"South Korea and Vietnam have maintained uncomfortable relations against their will in the midst of a turbulent era of world history," Tanguk president Chang Chung-sik told Hanoi President Hoang Trong Yem at the signing ceremony.

"I expect the sisterhood to open an era of peace and reconcilation between the two countries as well as to promote academic exchanges," Chang said.

Hoang Trong Yem arrived in Seoul on Thursday, accompanied by Ngu Anh Tuan, dean of the faculty of mechanical engineering.

## Prime Minister Confirms Stance for Future Talks

*SK0111032891 Seoul YONHAP in English 0250 GMT 1 Nov 91*

[Text] Seoul, Nov. 1 (YONHAP)—Prime Minister Chong Won-sik reiterated Friday South Korea will maintain its basic position on the need for building mutual trust before signing a nonaggression treaty with North Korea.

In an apparent bid to dispel "fear" in some quarters in South Korea, Chong declared that South Korea will not make any "unilateral concession" in order to sign the proposed agreement on reconciliation, nonaggression and exchange cooperation.

Chong spoke at a breakfast meeting of the Korean Newspaper Editors Association.

The prime minister acknowledged that North Korea attended the fourth round of the prime ministers' conference with some "flexibility," which he said, obviously stemmed from the practical necessity such as its desire to improve relations with Japan.

But he could not believe there was a change in their basic posture, Chong said.

Chong said he is neither optimistic nor pessimistic about the fifth round of the prime ministers' conference in Seoul Dec. 12 but he will do his best.

Commenting on the North Korean-arranged secret meeting between a South Korean journalist and his North Korean uncles, Chong said the southern side is going to lodge a strong protest since it violated a prior agreement.

South Korea is going to find out whether North Korea had violated the agreement with understanding of its chief liaison at the forthcoming working-level conference in Panmunjom scheduled to start on Dec. 14, Chong said.

"We are going to stress," he said, "that the recurrence of such an incident would jeopardize the future conferences."

Referring to North Korea's proposal for denuclearization of the Korean peninsula, Chong said North Korea is under pressure not only from Japan, the United States and other Western countries but also from the Soviet Union and China to allow international inspection of its nuclear facilities.

Chong said it is the South Korean Government position that North Korea can discuss "the nuclear problem with us" only after it stopped the development of nuclear weapons and accept inspection of the International Atomic Energy Agency (IAEA) as South Korea has done.

The prime minister was quick to add, however, that South Korea has no intention of linking the inter-Korean prime ministers' conference with international inspection of North Korean nuclear facilities.

"It is not our position," he said, "that we would not talk unless North Korea accept international inspection."

## North Proposes Delay in Regional Women's Seminar

*SK0111131091 Seoul YONHAP in English 1251 GMT 1 Nov 91*

[Text] Seoul, Nov. 1 (YONHAP)—North Korea on Friday proposed a three-week delay of a regional seminar on "women's role for peace in Asia" set for Nov. 18-23 in Seoul, jeopardizing the prospect of the two Koreas having an unprecedented direct contact between representatives of their women's organizations.

In a telephone message to the seminar steering committee, Yo Yon- ku, a permanent member of the Central Committee of the (North) Korean Democratic Women's Union, said she expected the seminar to be postponed to Dec. 7-12. She also proposed changes in the general plan of the seminar and the representation of the Korean community in Japan.

Reasons for the proposed delay were not given.

An immediate reaction from the seminar steering committee was cool. A committee member hinted at a possible refusal, saying, "We're presently at the final stage of preparation. It is not easy now to put off the seminar."

She, however, added: "We are going to discuss the matter with the government and make a counterproposal to the North."

Yo also proposed to have a working-level contact a week before a North Korean delegation enters South Korea for the seminar. She said the North Korean delegation would comprise six or seven representatives, three or four attendants and five or six reporters.

### North Faces Increased Pressure To Change

*SK0111012291 Seoul THE KOREA TIMES in English 1 Nov 91 p 29*

[By staff reporter Sin Hak-yim]

[Text] A photo taken from a rural North Korean house by a South Korean photographer last week shows a slogan which reads: "Let's campaign actively for earning foreign currency."

This slogan proves that North Korea is in dire need of foreign currency, certainly U.S. dollars, to save its collapsing economy.

Kim Chong-u, deputy chief of North Korea's Ministry of External Economic Relations and a member of the delegation to the inter- Korean premiers' talks, admitted that the North is facing economic difficulties. "How to increase the production capacity of our light industries is a problem," he said during an interview with South Korean journalists.

He also said that North Korea would not rule out any country's participation in the projected development of the Tuman River basin under the United Nations Development Program (UNDP). He was obviously referring to South Korea's participation in the project.

Kim did not hesitate to express North Korea's readiness to positively promote economic exchanges and cooperation with the capitalist South, "in accordance with the progress of high officials' talks" between the South and the North.

Government officials and North Korea watchers in Seoul ascribed the success of the just-ended premiers' talks in Pyongyang to North Korea's conciliatory attitude.

They regarded such a North Korean stance shown during the Pyongyang talks as heralding that the North may make another "significant" turnaround in its policies regarding inter-Korean relations.

North Korean Prime Minister Yon Hyong-muk reiterated Pyongyang's long-held position on the denuclearization of the Korean peninsula and insisted on the withdrawal of U.S. nuclear weapons from South Korea, during his keynote speech at the first-day open-door session.

However, North Korea did not adhere to the nuclear issue during the session the following day, thus enabling both sides to agree to draft a basic agreement on inter-Korean relations, which might be similar to the Basic Agreement on inter-German Relations in 1972.

Seoul government officials don't deny that North Korea's concessions led to the conclusion of an agreement to work out a basic accord on reconciliation, nonaggression and economic exchanges, through working-level committee meetings before the next full-dress session in Seoul set for Dec. 10-13.

The prime ministers' talks which had been delayed twice by the North were held a month after South and North Korea were admitted to the United Nations.

A high-ranking government official analyzed that North Korean leader Kim Il-song might have been behind the flexible stance.

His theory is based on unconfirmed reports that top Chinese leaders, including Deng Xiaoping, advised Kim to introduce reforms and to become more realistic in its foreign policy, when he visited China last month.

The official reminded that North Korea's decision to enter the United Nations came a few months after Chinese Prime Minister Li Peng advised the North to join the U.N. along with the South when he visited Pyongyang earlier this year.

North Korea has refused to open its door, sticking to the Chuche ideology. However, the North Korean style of socialism is facing a crisis caused by the ailing economy.

In addition, heavy military expenditures, which account for more than 30 percent of the North's GNP each year, has remained an hindrance for economic development.

North Korea adopted a Joint Venture Law in 1984 in order to attract foreign capital and technology, but it has not had any effort.

According to government figures, North Korea undertook 53 joint ventures with foreign countries for five years from 1984. Out of them, 27 contracts were with the pro-Pyongyang General Association of Korean Residents in Japan, or "Chongnyon."

Now, North Korea is turning its eyes to Japan and the United States. Pyongyang has been sending peace overtures to the United States since late 1988 and began to hold working-level talks with Japan in September last year for the normalization of diplomatic ties.

In the negotiations for the normalization of relations with Japan, North Korea is seeking to receive billions of dollars in indemnities from Japan for its 35 years of colonial rule of the Korean peninsula.

Ko Yong-hwan, a North Korean diplomat who defected to South Korea in May, said that Pyongyang expects to receive some $5 billion from Japan.

Pyongyang had dozens of working-level contacts with the United States in Beijing and four rounds of talks with Japan in the Chinese capital, but no progress has been made so far.

Both the U.S. and Japanese administrations linked the meaningful progress of inter-Korean dialogue and Pyongyang's signing of nuclear safeguards agreement with the International Atomic Energy Agency (IAEA), among others, to their normalization of ties with North Korea.

"Under these circumstances, North Korea might have found it difficult to continue to bring inter-Korean relations to a deadlock," said a ranking Foreign Ministry official dealing with North Korean affairs.

Despite the "small but significant" step taken during the fourth round of high officials' talks, whether the North Korean flexible stance will continue and lead to a drastic change in its foreign policies remains to be seen.

"If North Korea is sincerely ready to seek a change in its foreign policy, it should prove it by signing the nuclear safeguards agreement with the IAEA and opening its nuclear facilities to full- scale inspection," said the ministry official.

He said that North Korea will find no excuse to refuse to sign the nuclear safeguards accord with the IAEA as the United States already announced its plan to withdraw its tactical nuclear weapons from South Korea.

"The four powers surrounding the Korean peninsula, including the Soviet Union and China, don't want North Korea to go nuclear," said the ranking official. He then did not rule out the possibility that the U.N. Security Council will adopt a resolution calling for a forcible inspection of North Korea's nuclear facilities as it did against Iraq.

The official suggested that now is the time for North Korea to reconcile with South Korea and to begin arms reduction talks after taking confidence-building measures.

North Korea will lose its superiority in conventional armed forces to South Korea as the gap in GNP between the South and the North is rapidly widening, said the official.

In addition, South Korea is increasingly taking over operational control of its armed forces from the United States. A South Korean Army general will represent South Korea in the Military Armistice Commission conference, he said.

He added, "North Korea will feel a stronger threat from South Korea several years from now. In order to stave off such a situation, the North should take a more reasonable and realistic step to put South-North relations on the right track toward sustained peace and eventual unification."

## Uruguay Round Negotiators' Departure Delayed

*SK0111093091 Seoul YONHAP in English 0905 GMT 1 Nov 91*

[Text] Seoul, Nov. 1 (YONHAP)—The government decided Friday to delay the departure of South Korea's working-level delegation to the Uruguay Round [UR] of global trade negotiations until mid- November.

The team, led by Kim In-ho, assistant economic planning minister for international policy coordination, had been scheduled to leave for Geneva Saturday.

The team's departure had to be postponed because the UR negotiations are running behind schedule due to differences between the United States and the European Community over draft agreements, officials said.

The team hopes to take part in the negotiations when the questions of tariffication on agricultural products and market liberalizations come up later in the month, the officials said.

## Court Sentences Attackers of U.S. Facility

*SK0111011791 Seoul YONHAP in English 0046 GMT 1 Nov 91*

[Text] Kwangju, Nov. 1 (YONHAP)—The Kwangju District Criminal Court sentenced five student activists to jail terms ranging from a year and half to two years Thursday for taking part in a demonstration in front of the Kwangju U.S. Cultural Center.

Yi Pong-in, 21, a physics senior at Choson University, received a two-year sentence and the others 18 months each.

The ruling said a pardon was impossible because they threw fire bombs at the security police and attacked them with steel pipes, resulting in injuries.

They joined an anti-American demonstration, throwing fire bombs at the U.S. facility and nearby Yanglim Police Station, with an estimated 500 colleagues in the early morning of June 28.

Some 100 Choson University students vehemently protested the ruling in front of the Kwangju District Court.

## Deputy Premier Interviewed on Economic Prospects

*SK0111042391 Seoul THE KOREA TIMES in English 1 Nov 91 pp 1, 8*

[By staff reporter Chae Hui-muk]

[Text] Deputy Prime Minister Choe Kak-kyu is pessimistic about the future trade environment and believes that the government will be unable to satisfy U.S. demands to speed up the opening of Korea's capital market.

"The deficit in the international payment balance is expected to shrink a little next year. But it is difficult to expect a dramatic turnaround," said Choe, concurrently economic planning minister.

In an interview with The Korea Times for the 41st anniversary edition, Choe said a recovery in exports has been slower than expected.

On the other hand, imports have been flooding Korea as a result of the wider market opening, he explained.

The nation's current account deficit is already up to $8,464 million during the first nine months of this year, exceeding the revised target of $7.9 billion for the entire year.

The Korea Foreign Trade Association has even forecast $11 billion in trade deficit for the year.

To cut the deficit, Choe said his government will take steps to slow down economic growth to an adequate level that would require less imports and provide various kinds of incentives to the manufacturing industry.

He noted that the trade deficit with Japan accounted for 69.3 percent of the total shortfall during the first nine months of this year.

Choe said, "Trade imbalance with Japan is a structural problem as our country heavily depends on Japan for capital goods such as machinery. Localization of machinery and parts is most important to rectify the deficit. But it will take much time."

The worsening international payments deficit has been cited as one of two serious economic woes in Korea along with galloping inflation.

Touching on the pace of Korea's capital and financial market opening, the top economic planner reaffirmed that the opening will be made "gradually and step by step" to cushion probable impact on the domestic industry.

The U.S. side has insisted on a "full" opening at an early date, voicing complaints about the Seoul government's "partial opening" policy.

Choe said, "Domestic macroeconomic environment has been in an unstable situation recently, stemming from high interest rates, rising inflation and chronic shortage of capital."

This has hindered Korea from fully opening its capital and financial market, he noted.

He said he will ask U.S. Ambassador Donald Gregg to understand the problems when he meets him at a dinner to be hosted by the ambassador soon.

But Choe said the government will carry out liberalization and internationalization continuously in every sector of the economy.

"We cannot and must not block the financial deregulation process and internationalization."

Under this environment, the government should help private businesses display a creative and renovative spirit to cope effectively with the liberalization of markets, he said.

Touching on the Uruguay Round multilateral talks, Choe said the government will make efforts to lead the round to a success.

"But we have intensified diplomatic efforts to exclude rice and other staples from agricultural market opening."

He also said the government will seek to resort to special safeguard clause of the current GATT system.

Referring to the growing public worry over inflationary pressure by four rounds of elections next year, Choe said the government will in no way abandon stability-first policies.

"People have misunderstood that inflation may be worsened due to massive release of money during elections. We can manage the problem this time," he assured.

Choe, concurrently a lawmaker of the ruling Democratic Liberal Party [DLP], is a strong favorite nominee of the DLP for a Kangwon-do electoral district in next year's parliamentarian election.

## * Trade Deficit, Export Businesses Analyzed

*912C0313A Seoul CHOSON ILBO in Korean*
*27 Aug 91 p 9*

[Article by reporters Chang Hyo-sang and Pak Se-hun: "A '$10 Billion Shock' in the ROK Trade Deficit—Decline in Export Competitiveness Blamed"]

[Text] Editor's note: The Korean economy is entering a $10 billion-trade-deficit era. The trade balance—which serves as a report card of the nation's economic performance—shifted from the surplus tone of 1986-89 to massive deficits in a development brought on, according to economic experts, by a complex combination of factors, ranging from the government's failure to deal with the high prices, high interest rates and high wages to business communities' negligence of technology investments to the lack of ethics on the part of workers and to the trends of overconsumption and other signs of slack discipline involving the whole society. The following is an analysis of the trade balance that has aggravated recently and the status of our export businesses. [end editor's note]

### Causes and the Present Status

The trade deficit is about to hit the $10 billion mark.

This year's exports marked $42.702 billion as of 23 August against $52.507 billion in imports for the same period, registering $9.804 billion in deficit on the customs clearance basis. The deficit improved slightly on 25

August to $9.6 billion but a near $10 billion annual deficit will, according to analyses by authorities, continue for years to come.

It is true that the explosive increase in imports is in part responsible for the snowballing trade deficit; structurally, however, the biggest factor, it can be said, is the sluggish exports caused by the decline in the nation's export competitiveness.

Exports, earlier forecast to turn to an upswing in the latter half of the year, began slowing down in July, marking only a 1.9 percent increase in the month over the same period of last year and a mere 0.8 percent gain in August so far, sounding a danger signal to export industries.

Basically, the sluggish exports in the second half-year prove that our export goods are less competitive because of increased labor costs in the case of labor-intensive commodities, technological weakness in the case of technology-intensive ones.

As for the imports that are showing explosive gains across the board, expanded plant-and-equipment investments, a construction fever, import liberalization and consumer preference for foreign-made goods in its wake are listed as primary contributing factors.

As a result of the high labor costs, companies rushed to plant automation, pushing up machinery imports in the first half of the year by 32 percent over the same period last year to $9.79 billion. The preferential foreign currency loan system also contributed to the increase.

Imports of construction-related products, spurred by an overheated construction boom, gained 39 percent to $3.13 billion, while aircraft imports fueled by travel liberalization increased approximately 200 percent to $1.05 billion. Furthermore, under the pretext of price stabilization, imports of farm and livestock products approximately doubled to $280 million compared with last year, provoking the "banana crisis."

Overall, imports for domestic demand—generated by the government policy to stir up domestic demand—grew to 69 percent of the total exports against the 63 percent in 1989 and the 67 percent in 1990, a fact that constitutes, experts say, the gravest problem.

Taiwan, Korea's major rival in exports, registered a $7.4 billion trade surplus as of the end of July. In Japan's case, its surplus reached as high as $39 billion over the same period.

It is anticipated that the trade deficit will shrink to a $9 billion level after the end of August and further to an $8 billion level or so by the year's end on the customs clearance basis. The current account in external payments is estimated at $5-$5.5 billion in deficit.

In this respect, however, authorities take the position that there are no effective short-term measures to cope with the situation. Kim Kyun-sop, chief of the First Export Division of the Trade and Industry Ministry, says: "Machinery imports are unavoidable to promote plant automation; at the same time, we cannot curb imports if we are to avert trade friction." After all, there seems to be no alternative but to appeal to the patriotism of our people for a buy-Korean movement.

"The expanding trade deficit is not a problem that can be solved by a short-term prescription but should be seen as a structural problem," says Yi Han-ku, director of the Daewoo Research Institute, adding that "what we need is medium- and long-term programs to foster international export competitiveness."

### Analyses by Industries

These days major shoe exporters in the Pusan area including Hwasung International are restraining expansion of production lines by reassigning orders from overseas to small makers instead of monopolizing them. It is in part because of labor shortages in the wake of the quitting of skilled workers but a more important reason is that inasmuch as prospects of exports are dim, they are exercising self-restraint on additional investments.

Although the operating rate of the footwear industry—Korea's No. 3 industry next only to electronics and textiles—is currently at 90 percent, this "prosperity" is sustained by a cutback on production lines. The production lines eliminated by 12 major footwear makers in the country this year have reached 8.3 percent of the total 181 lines.

An industry source said: "As orders from overseas buyers have drastically decreased since the beginning of this year, 11 firms closed down and, if we count subcontractors, the number of idle and shut-down firms will be larger than that." "This year's exports are estimated at $4.3 billion, lower than the original target of $4.5 billion."

The auto exports, anticipated to pick up speed more or less this year, turned to a minus trend in the second half of the year. The July rates of export decline are 84.8 percent for Kia, 67.2 percent for Daewoo, and 12.9 percent for Hyundai.

Hyundai Motor Company recently made a downward adjustment of this year's to-USA export goal from 190,000 to 150,000 cars. Its export planning department director, Kim Chong-hyok, says that "We are being pushed out of U.S. markets as a result of the quality competition with Japanese cars; consequently, we are exploring market diversification to find a way out."

In the textile industry, while exports of raw yarn and fabrics are going on briskly, apparel shipments, which account for more than half of the total exports, continue to fall. In consequence, apparel exporters are either changing their business or shifting to fabric exporting, threatening a collapse of the apparel industry.

"As labor costs soared, we had no alternative but to increase export prices and this has brought the apparel industry to its limits," says the head of a firm making neckties for export. "These days we are exporting necktie material," he adds, "instead of exporting finished neckties and competing with known foreign makers. That way we are earning even better margins."

The electronics industry, Korea's No. 1 industry, is always under the pressure of Japanese and Southeast Asian products in U.S. markets, although shipments are on the increase thanks to exports to Northern countries.

A source of an electronics maker says: "We have been relying on 'faceless exports' by putting emphasis on OEM (original-equipment manufacturing) and, as a result, are experiencing difficulty in having our quality competitiveness recognized against Southeast Asian products." "Unless we secure our own distribution networks in overseas markets, it is difficult to expect sustained export increases."

Meanwhile, Pyon Chong-kyong, head of a planning and investigation team at Samsung Company, says that "the nation's recent foreign trade has more problems in its sluggish exports than in the increasing imports." "It is difficult," he stresses, "to improve overnight our competitiveness that is lower than the Japanese across the board, both in price and quality. We should give priority to building long-term growth bases through technology developments and strengthening of overseas marketings."

## Trade Deficit Exceeds $10 Billion in October

*SK0111092491 Seoul YONHAP in English 0855 GMT 1 Nov 91*

[Text] Seoul, Nov. 1 (YONHAP)—South Korea's trade deficit widened to 10.06 billion U.S. dollars on a customs clearance basis in October, the Trade and Industry Ministry said Friday.

It tallied exports for the year through Thursday at 57.5 billion dollars, up 10.6 percent over the same period last year, and imports at 67.5 billion dollars, up 21 percent.

The January-October shortfall is more than double the 4.83 billion dollars for all of last year.

Exports were up 25.2 percent in October from the same month last year at 6.62 billion dollars and imports were up 14.4 percent at 7.05 billion dollars for a deficit of 429 million dollars last month, according to the ministry.

Major exports were chemical goods, electronics and electric appliances and automobiles. Textile goods and footwear also turned up from a slump.

Shipments to the United States, Japan and the European Community rebounded but sales to the Soviet Union and Eastern Europe were sluggish, the ministry said.

Imports of consumer goods continued active growth and inflows of capital goods perked up from a slowdown since August. Purchases of raw materials declined.

Arrivals of letters of credit, a reliable yardstick of export trends two or three months in advance, jumped by a year's high of 27 percent to 3.53 billion dollars from a year earlier and import permits dipped 9.2 percent to 3.93 billion dollars.

# Brunei, Malaysia & Singapore

## Malaysia

### Government Concerned Over EC Non-Tariff Measure

*BK3110045491 Kuala Lumpur BERNAMA in English 0346 GMT 31 Oct 91*

[Text] Kuala Lumpur, Oct 31 (OANA-BERNAMA)—Malaysia is concerned with indications that the European Community (EC) is tightening its non-tariff measures to make up for its liberalisation of several tariff structures.

The proposed health standard regulation, currently being discussed among EC nations, could possibly emerge as one of EC's non-tariff measures to restrict the imports of various processed goods, especially agricultural products, into the region.

According to NEW STRAITS TIMES, Malaysian International Trade and Industry Deputy Minister Chua Jui Meng expressed this fear during his meeting with EC Commission (EEC) Vice-President Frans Andriessen here Wednesday.

Speaking after the meeting, Chua said Malaysia, however, lauded EC's move to subsidise farmers so that they would only produce agricultural products within certain quotas.

The move would enable Uruguay round negotiators to resume trade talks. The negotiations were stalled last year when a few EC members refused to liberalise their agricultural subsidies and border protection.

Under EC's agreement on agricultural subsidy, member countries have agreed that farmers would be penalised if their production of certain goods such as dairy products and edible oil exceeded this fixed quota.

### Lower House Passes New Extradition Bill

*BK3110073591 Kuala Lumpur Voice of Malaysia in English 0600 GMT 31 Oct 91*

[Text] The Extradition Bill 1991 enabling Malaysia to have an adequate and comprehensive law on extradition has been passed in the Lower House of Parliament. It replaces the Extradition Ordinance 1958 and the Commonwealth Wanted Criminals Act 1967.

Tabling the bill for second reading, the minister of justice, Sued Hamid Jaafar Albar, said the bill will enable the home minister to waive the prima facie case requirement for the extradition of a wanted criminal. The new bill also provides for a magistrate to take into account information provided by Interpol in determining whether a warrant should be issued for the arrest of a wanted criminal.

A wanted criminal serving sentence in Malaysia could be handed over temporarily to another country which seeks his extradition for local prosecution. The bill also empowers the home minister to use his discretion to turn down a request for extradition or for wanted criminal if he is a Malaysian citizen and whose offence is within the jurisdiction of a Malaysian court.

### Launching of 'Infotainment' Service Postponed

*BK3110095691 Kuala Lumpur BERNAMA in English 0741 GMT 31 Oct 91*

[Text] Kuala Lumpur, Oct 31 (OANA-BERNAMA)—Technical hitches have forced the launching of Radio-TV Malaysia's [RTM] Subscription News Service (SNS) to be postponed to March or April next year, Information Minister Mohamed Rahmat said Thursday.

The Information and Entertainment (Infotainment) Service was originally scheduled for launch in January next year for subscribers in the Klang Valley here.

Equipment for the service had to be imported, he told reporters after launching his ministry's quality day.

He said the ministry was looking for a foolproof decoder to ensure that the service was restricted to subscribers.

The subscription and licence fees were still being worked out by the ministry, he added.

Mohamed said the fees would be at a level that would not burden the subscribers.

He said RTM was preparing the studio and schedule of programmes for the service. The programmes would include news items from Cable News Network (CNN) and NHK [Nippon Hoso Kyokai] of Japan.

He also said that his ministry was working towards having greater cooperation with South American and African countries in exchange of information and television programmes.

Draft protocol agreements on the matter were being prepared by RTM.

Mohamed also said that RTM might not be able to buy programmes from the United States if the suppliers raised the prices of the programmes.

RTM, he said, could obtain television programmes from other countries at a lower cost.

### Problems Related to Recent Economic Growth Noted

*BK3010065191 Hong Kong AFP in English 0555 GMT 30 Oct 91*

[Text] Kuala Lumpur, Oct 30 (AFP)—Malaysia's 1992 budget, to be announced Friday, will attempt to cool an economy overheated by four years of rapid growth that has fueled price increases and strained the infrastructure, economists said.

"The economy needs to consolidate, to slow down to allow the government to expand capacity, deal with infrastructural bottlenecks and labour shortages over the next 12 to 18 months," said Peter Teo, research manager of a local securities company.

Malaysia's gross domestic product [GDP] grew by 8.9 percent in 1988, by 8.8 percent in 1989 and by 10 percent last year, a 14-year high, according to figures by Bank Negara, the central bank. GDP growth this year, aided by a burgeoning manufacturing sector and huge inflows of foreign investment, has been projected by most private sector economists to be 8.5 percent, with growth in 1992 dipping under eight percent.

Analysts say Finance Minister Anwar Ibrahim is expected to reinforce a recent one-percent hike in the statutory reserves ratio with proposals to reduce consumption and bolster savings in his maiden budget.

The steps will try to curb inflation, now running at 5.5 percent.

"To preserve price stability we need to promote savings and moderate the rate of consumption spending, especially conspicuous consumption," Anwar told an economic congress recently in outlining government priorities.

The independent Malaysian Institute for Economic Research (MIER) said inflation and a deterioration of the balance of payments current account were two problem areas likely to affect the growth in 1992.

MIER said restrictive monetary and fiscal policies expected in the budget and a decline in foreign investments in government-approved projects, estimated at some 56 billion Malaysian dollars (21 billion U.S.) over the past decade, should combine to slow growth next year.

Rapid growth has fueled a huge deficit in the balance of payments current account estimated to reach 17 billion Malaysian dollars (6.3 billion U.S.) by some economists, against an earlier government estimate of 12 billion Malaysian dollars (4.4 billion U.S.).

Analysts attribute the huge deficit, which has begun to put pressure on the Malaysian ringgit, to a sharp rise in imports of capital goods due to the rapid expansion in manufacturing which grew at an annual rate of more than 18 percent last year.

Manufacturing is now Malaysia's largest sector and contributes some 28 percent of GDP, according to official estimates.

"It is time to address the structural weaknesses emerging in the economy," said Ramon Navaratnam, executive director of Bank Buroh, a local bank.

Navaratnam said he expected the 1992 budget to contain policies that would seek to redress the weaker balance of payments, arrest the surge in consumer prices and seek to redress labour shortages.

The government has laid plans for a massive expansion of roads, ports, airports, water and electricty supplies and other infrastructure under its Sixth Malaysia Five-Year Development Plan announced earlier this year.

But some analysts say spending may be deferred to avoid fueling inflation, except for projects needed immediately to cope with infrastructural bottlenecks.

In a bid to cope with labour shortages, the government recently announced plans to register tens of thousands of mostly Indonesian workers employed in the construction and plantation industries who previously faced deportation as illegals.

But employers say the shortages extends beyond the two sectors into manufacturing where the the booming electronics industry alone is reportedly looking for some 80,000 workers.

Analysts say Anwar will take steps to improve the mobility of workers, upgrade manpower training and emphasize industries away from labour intensive manufacturing into those requiring a low import content.

## Singapore

### SRV Premier Arrives for 3-Day Official Visit

*BK3110102891 Singapore THE STRAITS TIMES in English 31 Oct 91 p 3*

[Text] Vietnamese Prime Minister Vo Van Kiet said last night that he hoped his three-day official visit to Singapore would help consolidate friendship and co-operation between the two countries.

Mr Vo, who arrived last night, will make separate calls on President Wee Kim Wee and Prime Minister Goh Chok Tong at the Istana today.

Later, he will also meet Senior Minister Lee Kuan Yew.

He is accompanied by his wife and a 19-member delegation, which includes the vice-chairman of the Council of Ministers, Mr Tran Duc Luong, and the Minister of Trade and Tourism, Mr Le Van Triet.

The delegation will be given a tour of the waterfront by the Port of Singapore Authority and visit the Singapore Science Centre today.

Mr Goh and his wife will host a dinner for the delegation at the Istana tonight.

#### Makes Statement on Arrival

*BK3010160591 Hong Kong AFP in English 1546 GMT 30 Oct 91*

[Text] Singapore, Oct 30 (AFP)—Vietnamese Prime Minister Vo Van Kiet arrived here Wednesday for a three-day visit aimed at "consolidating the friendship and cooperation with Singapore" and other countries in Southeast Asia.

Kiet, the first Vietnamese prime minister to visit Singapore in 13 years, said in a brief arrival statement, that the "current visit constitutes a golden opportunity for us to hold talks with Singapore leaders on measures aimed at consolidating the friendship and cooperation between the two countries."

The statement added that the visit was also to contribute to the "peace, stability, friendship and cooperation in Southeast Asia."

Kiet, making his first overseas tour since taking office earlier this year, expressed the hope that the visit would open up a "new and fine prospect for strengthening the cooperation between Vietnam and Singapore in many fields on the basis of respect for each other's independence and sovereignty, equality and mutual benefit."

He is here on the last leg of a three-nation tour which earlier took him to Indonesia and Thailand.

The last visit to Singapore by a Vietnamese prime minister was by Pham Van Dong in late 1978.

According to a Singapore official the Vietnamese prime minister would be seeking increased economic ties with the republic and assistance to help his country rebuild its economy, particularly in areas of port management, industrial development, telecommunications and banking.

No concrete agreements were expected to be signed during the visit.

Kiet, will be accorded a ceremonial welcome at the Istana (Presidential Palace) Thursday morning before paying a courtesy call on President Wee Kim Wee.

He will also call on Prime Minister Goh Chok Tong, Senior Minister Lee Kuan Yew and visit some industrial establishments.

Deputy Prime Minister and Minister for Trade and Industry Lee Hsien Loong announced recently that Singapore's ban on investments in Vietnam would be lifted soon in the light of the Cambodian peace treaty signed in Paris last week.

A number of major Singapore companies have expressed interest in investing in Vietnam once the ban is lifted.

Singapore and Vietnam do not have any diplomatic ties but Vietnam has a trade representative office here.

### Feted at State Banquet

*BK3110150191 Singapore Singapore Broadcasting Corporation in English 1400 GMT 31 Oct 91*

[Text] Singapore wants to see Vietnam at peace with its neighbors and contributing to the overall vitality and stability of Southeast Asia. The prime minister, Mr. Goh Chok Tong, says [word indistinct] and economic [word indistinct] of Vietnam is in the region's interest. New relations between Vietnam and ASEAN can also lead to a more relaxed, strategic environment in Southeast Asia. Mr. Goh was speaking at a state banquet held at the Istana [Presidential Palace] this evening in honor of the visiting Vietnamese prime minister, Mr. Vo Van Kiet.

Mr. Goh said the Cambodian issue had been the only obstacle in the way of forging bilateral relations. With the signing of the Cambodian peace agreement earlier this month, he is confident links between Singapore and Vietnam will quickly grow and broaden. Mr. Goh said that talks on more trade and economic cooperation and industry, tourism, and services. [sentence as heard] Singapore will also consider Vietnam's need for technical assistance. But he stressed it is the private sector which can and will make the investment and expand business links across the board.

In his speech, Mr. Kiet welcomed Singapore's initiative to enhance regional cooperation. He said Vietnam is prepared to build together with Singapore and other Southeast Asian countries a new order along the line of peace, stability, friendship, and cooperation. He added he is ready to take part in regional cooperation based on the principles provided for in the Bali Treaty signed by ASEAN members.

At an earlier meeting, Mr. Goh assured Mr. Kiet that Singapore is willing to help in any way within its capabilities. Both men discussed the possibility of setting up air links between Singapore and Vietnam. They have decided that both sides open embassies.

Mr. Goh has also accepted an invitation by Mr. Kiet to visit Vietnam. Mr. Kiet is here on a three-day official visit, which is the highest level official visit by the Vietnamese Government since October 1978. His 30-member delegation had earlier visited Thailand and Indonesia. They leave for home tomorrow.

### Concludes Official Visit

*BK0111114891 Singapore Singapore Broadcasting Corporation in English 1100 GMT 1 Nov 91*

[Text] The Vietnamese prime minister, Mr. Vo Van Kiet, has left Singapore after a three-day official visit to the republic. The Vietnamese deputy foreign minister, Mr. Vu Khoan, is still in Singapore and he has described his delegation's trip to Singapore as successful. He said it has strengthened up a new stage in the relations between the two countries.

Mr. Khoan disclosed that an Economic Development Board friendship delegation would visit Vietnam soon. He said he has invited Singaporeans to make their investments in Vietnam and hopes that Singapore itself would finance bank (?trade).

At a delegation meeting, the two sides agreed to open up embassies in each other's country as well as air services, expand tourism and negotiate agreements on investment guarantees and double taxation.

### Government Responds To Interview With Detainee

*BK3010144691 Hong Kong AFP in English 1332 GMT 30 Oct 91*

[Text] Singapore, Oct 30 (AFP)—The Singapore Government reaffirmed Wednesday its contention that Chia Thye Poh, the world's longest-serving known political detainee, was a subversive communist agent dedicated to armed struggle. But Chia, currently in internal exile on a tourist island a quarter century after his arrest under the Internal Security Act, again called the government's case "sheer fabrication."

The Home Affairs Ministry issued a statement Wednesday saying two AFP stories on Chia over the weekend had failed to highlight the government's proof of his advocacy of violence as an agent of the Communist Party of Malaya (CPM).

It quoted Chia, then a member of parliament from the Barisan Sosialis (Socialist Front) Party, as saying in a 1966 speech in Malaysia that workers should follow the Vietnamese example of armed struggle.

"The armed struggle of the Vietnamese will soon break out in Malaya. Therefore we must make the necessary preparations to revive this sort of struggle," the ministry quoted Chia as saying.

It said Chia had called that same year for a worker-peasant alliance and announced an "extra-parliamentary struggle" involving demonstrations and strikes after his party resigned from parliament.

The ministry said Chia, now 50, had been monitored while in detention and became sick and unhappy every time the Communists suffered a setback. He also never criticised the CPM for assassinations and violence, the statement said.

It said his statement to AFP that he would resume political activity if he got the chance justified the government's caution in restricting his freedom "for as long as necessary."

Chia, who has never been charged, was transferred to the Sentosa island tourist park in May 1989 after 22-1/2 years in detention. He is allowed to travel to Singapore proper during daytime but must be back at night.

The government says he can be free once he renounces the CPM and disavows the use of violence, but Chia says he cannot sign any statement that is tantamount to a flase confession.

The former physics lecturer, who marked on Tuesday the 25th anniversary of his arrest, again denied Wednesday making statements advocating violence.

"They are sheer fabrication to absolve the government from the blame of human rights violations," he told AFP by telephone, adding he had protested to the authorities in the past.

He insisted all his activity was within constitutional bounds and said protests such as strikes were part of workers' rights.

## Cambodia

### Government Prevents Opposition Party Forming

*BK3110124691 Hong Kong AFP in English 1231 GMT 31 Oct 91*

[By Sheri Prasso]

[Text] Phnom Penh, Oct 31 (AFP)—What was supposed to be the announcement of Cambodia's first new opposition party here Thursday turned into a scene of fear and intimidation. A Cambodian-American who came to Phnom Penh to announce the setting up of her party under Cambodia's newly-proclaimed multi-party system found herself threatended with arrest.

Throngs of police and accompanied by heavily-muscled young men in dark glasses surrounded the room at the luxury Hotel Cambodiana where she was making her announcement. "If I go on to announce a new political party they will arrest me," said Vanna Om Strinko, her voice shaking and on the verge of tears after being followed and intimidated by police and government officials. She said she would set up her New Life Democratic Party despite the tactics and might be forced to make the formal announcement in Bangkok.

The normally tranquil hotel was crawling with uniformed men and others wearing dark glasses and carrying tape recorders and cameras—at least one of whom carried a Vietnamese Government identification card in his front pocket. None of the officials there would talk to the media.

"Here and all around this restaurant are police and spies. I cannot believe this," Strinko said. "I tested the freedom in this country today...and I understand now what my compatriots are talking about."

Phnom Penh has been rife with rumor that, despite the freedoms pledged by this government two weeks ago making Cambodia a multi-party democracy, people continue to be arrested for trying to engage in political activity. "There is an explosive atmosphere here," said a political source who was asked to join the new party but declined. "Everyone is afraid of the government."

Strinko has spent one month here meeting with potential members of her opposition group. She plans to leave Saturday on a fund-raising trip to the United States and Europe before returning here in January. "People are afraid," Strinko said. "They see (Prime Minister) Hun Sen on TV saying freedom and reform, but they think it is reform only on paper. They want to join (us), but they are waiting for the U.N.... When the U.N. comes in there won't be fear any more."

She said several people close to Hun Sen were very interested in breaking away from the Cambodian People's Party, but they were awaiting a strong U.N. presence before declaring their new alliance. "I hope the U.N. is going to control this," she said, gesturing toward the police who surrounded her.

Strinko chose Prince Norodom Sihanouk's 69th birthday to announce her campaign to get Sihanouk out of day-to-day politics and to execute Khmer Rouge leaders for genocide crimes. "If people want justice, they will vote for us," Strinko said before she was to make the announcement.

The prince—who heads Cambodia's Supreme National Council (SNC) grouping four warring factions who signed a peace plan October 23—celebrated his birthday at his home in Beijing. He is to return here November 14. "The old political parties have deliberately betrayed the trust of the people," Strinko said.

"They have entered into an unholy alliance to rob the people and this nation of its wealth and dignity," she said. "A vote for them is a vote for abuse of power, injustice and corruption."

The New Life Democratic Party's main platforms include bringing Khmer Rouge leaders to trial for war crimes during their reign from 1975 to 1979 and executing them if they are convicted.

Strinko said the Phnom Penh government is guilty of collaboration with those who caused the Cambodian people the most suffering. "My God, they're bringing in people who murdered three million people," including seven of her own family members, Strinko said.

She fled to the United States days before the Khmer Rouge took over the capital in 1975, and cannot recall those days without breaking down into tears. The death toll from the Khmer Rouge reign is disputed, with estimates ranging from hundreds of thousands to three million. "They can do it again," she said. "What's going to ensure that they don't?"

The peace plan signed by the Phnom Penh government and the three-sided alliance between Prince Sihanouk, the Khmer Rouge and a third faction invites leaders from all sides into Phnom Penh. Together they form the SNC under United Nations supervision until elections can be held in 1993.

The New Life Democratic Party also calls for making Prince Sihanouk a titular head of state modeled on the government of England, Japan or Thailand. "This means that the prince will be king without too many real political powers," the party platform reads.

The government led by Prime Minister Hun Sen wants to make Prince Sihanouk its president, with as-yet undefined powers. But Strinko said that while Cambodia needs Prince Sihanouk as a figurehead, "if he is president, there is not going to be peace and stability."

Strinko declined to say how many people were members of her party, but one political insider here said that Strinko, as an outsider, was having trouble gathering support. Strinko anticipated a membership of 500 by her return in January and 20,000 by the election in 1993. The new party also claims land reform as its platform, in which the government would buy land from rich farmers and give it away to poor farmers.

### Chea Sim Sends Sihanouk 'Humble' Salutations

*BK3110141691 Phnom Penh Samleng Pracheachon Kampuchea Radio Network in Cambodian 1300 GMT 31 Oct 91*

[Text] His Excellency Chea Sim, chairman of the Cambodian People's Party [CPP] Central Committee and also chairman of both the National Assembly and of the National Council of the Kampuchean United Front for National Construction and Defense, on 31 October sent a message to Samdech Norodom Sihanouk, chairman of the Supreme National Council of Cambodia, greeting him on his 69th birthday.

The message reads: On the occasion of the respected samdech's 69th birthday, on behalf of the CPP and in my own name, I wish you happiness and long life.

My party would like to express its high appreciation of the samdech's important contributions to the process of national reconciliation and the restoration of peace to our beloved motherland.

We, your children, are ready to warmly welcome your return and would like to express our firm confidence in the radiant future of our beloved land of Angkor.

Respected Samdech, please kindly accept my humble salutations.

### Radio Reaffirms Support for Sihanouk-Led SNC

*BK0111015891 (Clandestine) Voice of the Great National Union Front of Cambodia in Cambodian 2330 GMT 31 Oct 91*

[Station editorial: "The Supreme National Council Chaired by Samdech Sihanouk Is Cambodia's Unique Source of Power During the Transitional Period and a Body of National Reconciliation and Unification"]

[Text] The accord on a global political settlement of the Cambodian problem, officially signed by the four Cambodian parties and the delegates of the 19 countries concerned at the international conference on Cambodia in Paris on 23 October, includes a clause stipulating that the Supreme National Council [SNC] will be Cambodia's unique legitimate state body and source of power during the transitional period. At a SNC meeting in Paris on 25 October, SNC Chairman Samdech Norodom Sihanouk pointed out that, as of the date of the signing of the global accord, our SNC has become Cambodia's unique legitimate source of power and, therefore, from now on there will no longer be two governments and geographical partitions in our country.

The Cambodian nation and people in the interior of the country and abroad pledge to fully assist and support the SNC, enabling it to undertake its task of effectively, correctly, completely, and successfully implementing the Paris accord to gradually bring about Cambodian national reconciliation and unification regardless of precedents and without discrimination against white, black, blue, or red, with a view to achieving national harmony forever.

The Cambodian nation and people inside and outside the country uphold the SNC's plan to have its headquarters in Phnom Penh in the days to come and to carry out, under the chairmanship of SNC Chairman Samdech Norodom Sihanouk and in close cooperation with the UN transitional authority, called UNTAC [United Nations Transitional Authority for Cambodia], the task of implementing the Paris accord. This is to allow Cambodia to restore independence and peace within its territorial integrity and within the framework of great national union and unity.

### Chea Sim Receives Outgoing Lao Ambassador

*BK3110125391 Phnom Penh SPK in French 1115 GMT 31 Oct 91*

[Text] Phnom Penh 31 Oct (SPK)—Chea Sim, chairman of the Central Committee of the Cambodian People's Party (CPP), on 29 October received Lao ambassador extraordinary and plenipotentiary Thongsoukkhoun Phounsavat, who came to bid him farewell at the end of his mission to Cambodia.

Chea Sim, also chairman of both the National Assembly and National Council of the United Front for Cambodia's Reconstruction and Defense [Front d'Union pour l'Edification et la Defense du Cambodge], indicated his high appreciation of the Lao diplomat's efforts to consolidate and develop the solidarity and friendship between the two countries' parties, governments, and peoples.

The chairman of the CPP Central Committee also briefed his guest on the outcome of the CPP's recent extraordinary national congress, which adopted a new party platform and statutes in conformity with the current situation of the country and on the Cambodian peace accord signed in Paris on 23 October.

He expressed Cambodia's gratitude to the Lao party, government, and people for their consistent support for the Cambodian cause for peace, freedom, and social progress.

Thongsoukkhoun Phounsavat thanked the Cambodian party, government, and people for facilitating his mission in Cambodia and voiced his support for the results of the CPP's extraordinary national congress. He warmly greeted the ending of the Cambodian problem through the 23 October signing of the comprehensive accord in Paris. The Lao diplomat affirmed that the friendship and solidarity between the parties, governments, and peoples of the two countries will continue to develop.

### Hun Sen Meets Cambodian Community in Melbourne

*BK3110130791 Phnom Penh Samleng Pracheachon Kampuchea Radio Network in Cambodian 1100 GMT 31 Oct 91*

[Text] His Excellency Hun Sen, prime minister of the State of Cambodia [SOC], Mme. Sam Hieng Hun Sen, member of the Supreme National Council, and their entourage flew by a special plane to Melbourne on the afternoon of 29 October.

On the morning of 30 October, H.E. Prime Minister Hun Sen and his colleagues visited and held fruitful meetings with leaders of a number of institutions, including [names of companies indistinct], a big business specializing in agriculture and irrigation, and Radio Australia.

The talks have indicated that Radio Australia is now considering adding Cambodian to its broadcasts in English and seven other foreign languages.

In the afternoon of 30 October 1991, H.E. Prime Minister Hun Sen, his wife, and their entourage attended a 400-person get-together with the Cambodian community of Melbourne organized by the Khmer Community of Victoria Corporation. On that occasion, the prime minister underlined a number of important points concerning the political solution, prospects for the accord implementation, and the major objectives of the SOC in national reconciliation, primarily the ending of the war, the restoration of peace and stability, and the eradication of impoverishment among the Cambodian people. He also spoke in detail about the causes that had led the SOC to accept the accord, especially the point on its ties with the polpotists.

H.E. Hun Sen also once again dealt with the Cambodia-Vietnam and Cambodia-Thailand frontier issue.

The get-together proceeded in an excellent atmosphere of mutual understanding. In particular, Deputy Minister Cham Prasit and Deputy Foreign Minister Sok An called on 40 Australian military communications specialists headed by Lieutenant Colonel (Russell Shiad), who will soon leave for Cambodia within the framework of the UN advance mission in Cambodia.

### UN Experts Team Conducts Pre-Election Survey

*BK3110145891 Phnom Penh Samleng Pracheachon Kampuchea Radio Network in Cambodian 1300 GMT 31 Oct 91*

[Text] On 23 October, within the framework of the UN role in Cambodia following the signing of the Cambodian peace accord, the United Nations announced that it had sent a mission to Cambodia from 22 to 30 October. The delegation, headed by Ron Gould of Canada and made up of 18 members coming from Australia, France, Germany, Japan, India, and some other UN agents, was to conduct a survey in preparation for the coming elections.

The delegation had working sessions with Chem Snguon, deputy minister of justice, who is the head of the Cambodian commission taking part in the mission. The UN delegation also met and spoke with Cambodian officials at various ministries and offices, and visited the provinces of Battambang, Stung Treng, Kompong Speu, Kompong Chhnang, and Siem Reap where it had working sessions with local leading officials.

During its stay in Cambodia, the delegation also visited the Tuol Sleng and Cheung Ek museums of genocide and a number of cultural and socioeconomic centers and development sites in Phnom Penh and the provinces. Before leaving, the delegation held talks with Deputy Foreign Minister Phi Thach.

### Sar Kheng Addresses Kandal Party Committee

*BK0111055991 Phnom Penh Samleng Pracheachon Kampuchea Radio Network in Cambodian 1300 GMT 31 Oct 91*

[Text] A meeting of the delegates of the Kandal provincial seat's first party committee was solemnly held in the town on 28 and 29 October.

Present in the Presidium were, among others, Sar Kheng, member of the Standing Committee of the Cambodian People's Party [CPP] Central Committee, chef de cabinet of the CPP Central Committee, and chairman of the Central Organization Commission; Vong Sot, chairman of both the province's party committee and people's committee; delegates from the 10 districts and those from various provincial-level institutions; as well as cadres, party members, combatants, Buddhist monks, and representatives of ethnic minority groups in the province.

At the two-day meeting all the delegates listened carefully to the draft political report on the activities of the provincial seat's provisional party committee, the objectives for the next party committee, and the draft report on control over the leadership of the provincial seat's last party committee.

All the delegates held discussions to correctly assess strengths and weaknesses in each field and unanimously agreed to the two draft reports and the proposed objectives.

The meeting also elected 11 more members of the provincial seat's party committee, including (Sot Yoeu) as the chairman of Kandal Province's party committee and people's committee.

In his address to close the meeting, Sar Kheng applauded the meeting and highly praised its brilliant outcome. After clearly accounting for various important issues in the new situation of the Cambodian motherland, Sar Kheng urged the participants and all the party delegates to continue paying attention to heightening the spirit of awareness and the already high sense of responsibility to effectively implement the new, immediate, and pressing tasks entrusted to the party and people. They should also strive to widely disseminate the CPP political platform and His Excellency Hun Sen's address at the CPP extraordinary national congress to the people and combatants in various localities, enabling the people to understand these issues, especially the need to join forces to do their utmost to gradually improve the people's living conditions.

## Indonesia

### Army Arresting Portuguese-Speakers in East Timor

*LD3110123791 Lisbon RDP Internacional in Portuguese 1007 GMT 31 Oct 91*

[Text] Two film technicians, who were in Dili on Monday, have spoken in Australia about the situation in East Timor. It should be recalled that Indonesian troops invaded the Muatel church on Monday, killing two young Timorese. The two women, speaking on arrival in Camberra, said that the population of East Timor is experiencing terror, panic and repression.

Informed sources have said that the Indonesian Army has, in the last few hours, arrested all citizens with Portuguese names and those who speak Portuguese.

### National Airlines Increases Flights To Vietnam

*BK3110124791 Jakarta ANTARA in English 1150 GMT 31 Oct 91*

[Text] Jakarta, Oct 31 (ANTARA)—The Indonesian flag carrier Garuda Indonesia has increased the frequency of its flights to Vietnam from twice to three times a week following the signing of an agreement here recently. "We hoped that the additional flights could be carried out by operating an Airbus-300 plane", Garuda commercial director Sunaryo told reporters after the signing of an agreement between PT [Limited Company] Garuda and PT Indotel here on Wednesday.

The agreement, which covers hotel reservation service, was signed by Sunaryo representing Garuda Indonesia and Stella Luki Setyadi representing PT Indotel.

Garuda flights to Vietnam through Singapore, which were started two years ago, were based on a temporary license from that country. With the new agreement, Garuda could increase its flights three times to Vietnam a week, Sunaryo added. The additional flights could be carried out with Boeing 737 or Airbus-300 planes, he said adding that there is no sign yet that Vietnam would fly its planes to Jakarta.

According to Sunaryo, the additional flights to Vietnam are intended to attract more Vienamese tourists and foster friendly relations between the two countries which have been maintained so far.

In reply to a reporter's quetions on the revision of Singapore-Indonesia air agreement, particularly on aviation, Sunaryo said that Garuda proposed through the Indonesian government that Singapore would stop operating Boeing 737-400. So far, Singapore has harmed our interest because besides operating a wide-bodied plane, it also flew to a number of big cities in Indonesia, he said.

Garuda in serving the Jakarta-Singapore-Jakarta routes is using Airbus-300 planes whose seat capacity is 260, while Boeing 747-400 plane which is operated by Singapore has a capacity of 500 seats, he explained. Because of the weaknesses in the 1990 Agreement, which it viewed as not advantageous, Indonesia invited Singapare to discuss the agreement in Jakarta on October 17-18.

This talks have not yet produced an agreement because Garuda proposed that Singapore Airlines stop operating wide-bodied planes and reduce its flights to a number of big cities in Indonesia. Talks on the problems between both sides will be resumed in January next year.

### Paper Views Background of SRV Premier's Visit

*BK2610085891 Jakarta Radio Republik Indonesia Network in Indonesian 0600 GMT 26 Oct 91*

[From the press review]

[Text] SUARA KARYA says it is probably no coincidence that SRV Prime Minister Vo Van Kiet's visit to three ASEAN countries is taking place while the Cambodian peace accord is being signed in Paris. It is hoped that the peace accord will usher in a new climate in Southeast Asia. Of course, this expectation is based on the assumption that the peace accord will be honored and implemented smoothly. Therefore, it is necessary for Vietnam to capitalize on the momentum created by the peace accord to normalize and strengthen its ties with ASEAN countries.

### Visiting PRC Prosecutors' Activities Reported

*BK3010093091 Jakarta Radio Republik Indonesia Network in Indonesian 0700 GMT 30 Oct 91*

[Text] PRC Deputy Procurator General Feng Jinwen and his five-member delegation visited Indonesia from 20 to 30 October. While in Indonesia, the PRC Supreme People's Procurate's delegation paid a courtesy call on Attorney General Singgih; visited the Educational and Training Center of the Attorney General's Office of the Republic of Indonesia at Ragunan, Pasar Minggu in Jakarta; observed the proceedings of a trial at the South Jakarta District Court; and witnessed a legal guidance contest at the Kedu District Court in Central Java. In addition, the delegation also visited tourist spots such as Yogyakarta Palace, Borobudur Temple, and Prambanan Temple and went to Bandung.

On behalf of the PRC procurator general, Deputy Procurator General Feng Jinwen invited the attorney general of the Republic of Indonesia to visit his country.

## Philippines

### Abadia Announces Rebel Soldiers' Surrender

*HK0111052991 Quezon City Radyo ng Bayan in Tagalog 0209 GMT 1 Nov 91*

[Speech by General Lisandro Abadia, Armed Forces chief of staff, at presentation of 14 surrendering rebel soldiers, at Camp Aguinaldo, Manila—live, in English]

[Text] As a result of the initiative and continuing efforts of the chief of staff, Armed Forces of the Philippines [AFP], to persuade the Reform the Armed Forces Movement-Soldiers of the Filipino People-Young Officers Union [RAM-SFP-YOU] members still in the underground to return to the fold of the law under the government's program of reconciliation with justice, the following 14 officers are returning today to military control. From the Philippine Air Force: [word indistinct] Eduardo Kapunan, Captain Villamor Lazo. From the Philippine Army: Captain Percival Abuc, Captain Nestor Flordeliza, Captain Benigno Junio, 1st Lieutenant Henry Dan, 1st Lieutenant Ruben Lobrec, 1st Lieutenant Paterno Renato Padua, 1st Lieutenant Gener del Rosario. From the Philippine Navy: Captain Juancho Sabat, the one who escaped a month ago, I think; 1st Lieutenant Armando Banez; 1st Lieutenant Francis Carandang; 1st Lieutenant Raymundo Liwag.

They constitute the latest batch [words indistinct] in addition to Lieutenant General Rodolfo Thor, Captain Washington Javier, and Captain Rafael Sardeno, who have chosen to come out of hiding and to submit themselves to the legal jurisdiction of the government. [Word indistinct] to repay charges of involvement in the past coup attempts against the government. All have been apprised of their basic rights under law and the articles of war, and have expressed their allegiance to and support for the Constitution, the duly constituted government, and the AFP chain of command, as well as renouncing the use or threat of force as a means of seeking reform in the government and the AFP.

Their individual cases are now subject to evaluation as the basis for determining appropriate modes of restraint under existing policies and regulation.

Related, there is now an on-going review of other possible releasings to the custody of their major service commanders, the equivalent of bail for civilians, subject to the approval of the secretary of national defense and the president.

In this regard, the president, for humanitarian consideration, recently approved the release to the custody of senior responsible officers and the command responsibility of their major service commanders the following officers: Captain Manuel Hizon of the Philippine Navy and Captain Herbert Avenate of the Philippine Army.

With these developments, the chief of staff, AFP, remains optimistic [words indistinct] including core-leaders of the RAM-SFP-YOU may yet, ultimately take advantage of the offers of peace by the government not only to the ultra-rightist elements, but also to other rebel groups, to return to the mainstream of society.

If we may mention that the president, herself, in her keynote address during the Philippine Military Academy Alumni Association General Membership Meeting held [word indistinct] at Camp Aguinaldo this week, said she is keeping the door open to those willing to return to military control under the policy of reconciliation with justice.

While their fundamental idealism must be recognized and, indeed, cultivated toward a constructive approach to reform in society, those returning to the fold of the law under these policies are nevertheless expected to undertake the following:

1. Pledge allegiance to the Constitution and obey all laws of the land,
2. Recognize the duly constituted authorities, including the AFP chain of command,
3. [Word indistinct] use of force in seeking changes and reforms in the government and in the AFP,
4. Return all firearms and equipment taken by them,
5. Turn in all other unlicensed firearms in their possession,
6. Refrain from further destabilizing or dividing the government and the AFP, and
7. Observe the conditions of their restraint and otherwise comply with other legal orders of proper authority.

[Passage indistinct] One, [indistinct word] effective immediately, the following main five officers are hereby placed under your command responsibilty and under the direct custody, supervision, and control of [name indistinct] Magan of the [word indistinct], Captain Manuel Hizon, Philippine Navy; Captain Juancho Saban, Philippine Navy-Marines; 1st Lt. Armando Banez, Philippine Navy-Marines; 1st Lt. Santi Salandan, Philippine Navy Marines; First Lt. Raymundo Liwag, Philippine Navy-Marines.

[Passage indistinct] to detainees while under custody. In order to maintain maximum monitoring systems, supervision, and control over detainees under custody, the following guidelines, among others, are hereby directed.

A. Major service commander will turn the assigned personnel under custody to nonsensitive administrative service report, work within the fort [as heard], and shall not handle classified matters, perform security or guard duties or work related to the manufacture of [word indistinct] and distribution of all [word indistinct] items.

B. Persons under custody must always be available to testify and to be present in any proceedings pertaining to his case upon being summoned thereto, and his custodian must ensure that required presence under investigation and or trial.

C. Custodian must know where the detainees are located and what they are doing at all times, and must be able to account, assemble them within two hours.

D. Approval of passes and like privileges within Metro Manila, shall be within the approved authority of the major service commander concerned, otherwise shall be subject to the approval of this headquarters, meaning GHQ [general headquarters].

E. Persons under custody shall be advised on the following responsibilities to wit:

1. To report daily to his custodian, supervisor for accounting purposes,

2. To refrain from giving interviews or statements to the media without proper written authority from the chief of staff,

3. To refrain from committing any act inimical to national security, comply will all AFP rules and regulations, and will maintain good behavior, dicipline, and bearing of military personnel at all times,

4. To appear and be present during trial hearings of their respective cases, and whenever their appearance is required by their custodians on or proper authority,

5. Custodians concerned shall immediately report to their major service commanders at this headquarters at Center J1, any violation or inimical act against [word indistinct] undertakings of subject officers under custody which shall be ground for revocation of his custody and subsequent issuance of orders for his confinement.

### Abadia, Rebel Leader Hold News Conference

*HK0111070691 Quezon City Radyo ng Bayan in Tagalog 0221 GMT 1 Nov 91*

[Joint news conference by General Lisandro Abadia, Philippine Armed Forces chief of staff, and returning rebel leader ex-Lt. Colonel Eduardo Kapunan, at Camp Aguinaldo, Manila—live, in English; monitored in progress]

[Excerpts] [Unidentified moderator] Miss Char Villa, channel 2.

[Villa] Sir, does this mean that Lieutenant Colonel Red Kapunan is still with this...[changes thought] is technically still with the armed forces. I understand that he has been dropped from the roster already.

[Abadia] Well, the term is that he has returned to military control, and we will request the president to restore him to military control through the secretary of national defense.

[Moderator] Miss Shelly Silva.

[Silva] Good morning sir. My first question is for the chief of staff General Lisandro Abadia. You said in your opening statement that you remain optimistic that others may yet ultimately follow. Can we expect some good news again before Christmas, because last time you said there will be good news on the end of October? Can we expect something better or bigger before Christmas? Especially Honasan being back to military control?

[Abadia] Christmas is a little too long. [laughter] If I may say so.

[Silva] So you mean you are going to give us a gift earlier, by November?

[Abadia] Well, let me put it this way. There is a...[changes thought] if nothing happens within a reasonable period, then we will [word indistinct] operations again for those still remaining in the underground. But the length of time of the moratorium, so to speak, will be studied carefully by us. I will not put a time frame when we will end this ah...[changes thought] we will temporarily close the door and again proceed to looking for those still in the underground. But Christmas or 25 December of this year is a little too long for me and for the leadership in the Armed Forces. [passage omitted]

[Moderator] Ms. Rona Lopez, TEMPO.

[Lopez] Good morning, sir. You said that Colonel Kapunan...[changes thought] you would request President Corazon Aquino to reinstate Colonel Kapunan to military roster. Does it follow, sir, that all those who have agreed to return to military control will be reinstated.

[Abadia] There was a little garble. Can you say it again?

[Lopez] Earlier you said that you would recommend to President Aquino that Colonel Kapunan be reinstated in the military roster. Again, the question, sir, is, does it follow that all those who have agreed to return to military control will be reinstated?

[Abadia] That is correct. The issue is, Kapunan is outside of the military because he is dropped from the roll, so to correct that technical...[changes thought] because he is now personally under military control. So legally and technically, putting him back in the roster, it must be ordered so by the commander-in-chief, the president of the republic. So in the case of Colonel Kapunan, he was dropped from the roll, then we will recommend that he will be reinstated into the roster, and that will be the same for all officers of...[changes thought] who are similarly situated. It is not a technical defect that we are going to correct, because, physically, he is under our control, but legally he is not in the roster of officers in the Armed Forces of the Philippines.

[Lopez] Number two question, sir. Yesterday, there were releases in the camp that General Zumel will be included among those who will be presented this morning. May we know, sir, the whereabouts of General Zumel?

[Abadia] Well, I didn't say that. It was Paul Zamora again who said that he'll be part of this exercise. I hope Paul Zamora of the INQUIRER will stop putting words into my mouth, and really tell the truth. [passage omitted]

[Unidentified reporter] So the same thing will happen to Gringo [Honasan] in case he resurfaces? He will be reinstated into the military establishment?

[Abadia] If he will return to military control, he will be reinstated in full, and technically and legally reinstated, and will be under arrest status just like Kapunan, et al. [passage omitted]

[Unidentified reporter] May we know how many rebel officials are still at large? Do you have a number?

[Abadia] After this, there'll be 15 more still in the underground. [passage omitted]

[Unidentified reporter] Sir, another question, Ms. Cacho-Olivares and two other leading journalists were able to interview some, six, ah...Young Officers Union [YOU] officers in the active service recently, and the YOU officers said that they can still muster enough force within a short length of time to again launch destabilization moves. What can you say about this, sir? I mean, this is very disserving, because these officers are still in the active posts.

[Abadia] If it is the handy work of Calajate [commander of naval forces], I am disturbed. [chuckles]

[Unidentified reporter] Sir, there are YOU officers in the active service.

[Abadia] No, I don't think so. [passage omitted]

[Unidentified moderator] Ms. Char Villar, and then Ed Nanquil of channel 9.

[Villar] Sir, I still don't understand why you have to bring back the rest of the rebel officers back to the roster of the military. It's a technicality, sir, because I remember when Cabauatan [rebel soldier sent to prison] was convicted by a military court, he was already out of the roster. You didn't have to recommend his return to the military roster to be able to be tried by a military court. Is this, ah...[changes thought] why are you...?

[Abadia, interrupting] A new arrangement, if you will. Because I cannot give...[changes thought] if he is not under military control, then he should be in a Quezon City jail.

[Villar] Why Cabauatan, sir? You kept him under military control although he was already a civilian?

[Abadia] That was a previous case.

[Villar] No sir, because there's a Supreme Court ruling that when he comitted the crime when he was still a military officer, that's why they allowed the military court to try him. Why not for this surrendering RAM [Reformed the Armed Forces Movement] officers?

[Abadia] Now, in the light of this development, let me just tell you, we will review the case.

[Villar] Another question sir, Kapunan is known to be a top ranking leader of RAM...

[Abadia, interrupting] What, what?

[Villar, repeating] A top ranking leader of the Reformed the Armed Forces Movement or of the Revolutionary Nationalist Alliance.

[Abadia] He is one of the three originals. The three founders of RAM are the following: Honasan, Batac and Kapunan.

[Villar] Is there a break up here in the RAM, sir, because now he is surrendering, and Honasan...

[Abadia, interrupting] Oh, I would not, I would not comment on that because I do not want to be party also to the dismemberment of the RAM. They might think I'm intriguing them. Maybe you can ask that from Red.

[Moderator] Ed Nanquil, channel 9, and then Iris Ilagan of the BULLETIN.

[Nanquil] Good morning, sir. You seem to be confident that there will not be another coup. Did you have some agreement with the rebels?

[Abadia] Well, from this gentlemen who will come out now, and those lieutenants, the 70 or so that I have relieved in the past, [words indistinct] read to me. So I'm confident that this development would really minimize to a big degree that possibility of a coup.

[Ilagan] Good morning, sir. Sir, may we know, ah, if possible, that Colonel Kapunan will be reinstated to, back to the [words indistinct]. Will he be receiving salaries and the same benefits that regular soldiers are receiving right now?

[Abadia] We will study the matter of these officers being restored to paid status. Now, in due time, you will know the decision of the armed forces.

[Ilagan] Sir, also, now that he is back to military custody, may we know if he will still function as a government emissary to the RAM?

[Abadia] If he so voluntarily does that, then it's good for the government.

[Moderator] We'll have a few more questions before we make the presentation. Miss Maria Reza from ZNN.

[Reza] The enlisted men we spoke to the other night claimed, they claimed that they are above ground operatives of the Young Officers Union. They are on active duty in the military and they have infiltrated, one of the things that they did mention, the intelligence arm of the armed forces. How valid are these claims?

[Abadia] I don't know. I have the [word indistinct] to validate that. [passage omitted]

[Reza] You also claimed, sir, that you are aware of their existence within your ranks and that, in effect, their existence is being condoned.

[Abadia] No, they are not being condoned. The YOU, and what, and this interventioning attitude is not being condoned.

[Reza] Thank you, sir.

[Moderator] Shall we make the presentation? No more questions? Sir?

[Abadia] Okay, we may make now the presentation and we will, ah...[changes thought] Colonel Kapunan will make also his statements and afterwards, you can ask questions of him. [passage omitted]

[Kapunan, reading a statement] My beloved countrymen, I have this day submitted myself voluntarily in the custody of the chief of staff of the AFP, General Lisandro Abadia, in response to and in support of [words indistinct] unity of the armed forces. Our actions have been guided by the valid concern of the Filipino people. Today, amidst all crises and disasters that have ravaged our country, the popular clamor is unmistakably to seek unity. Understandably, we do have to move forward. We do have to [words indistinct]. We do have to acknowledge that our being united as a people is an essential element for national viability and survival. We have, therefore, taken this step as our modest share in the quest for peace and unity in our country and, likewise, it serves as a manifestation of our sincere desire to bring about a peaceful and honorable resolution to one of the several conflicts presently besetting our country.

Corollarily, we do hope that what we have done today would dispel any and all scepticism regarding our intentions, priorities, and motivations. We have never coveted power or wealth. Our actions have always been propelled by our wholehearted desire to be of service to the Filipino people, and, to this end, we are willing to sacrifice as we already have and the little that we have. Let the Filipino people be the final judge as to the culpability of our past actions. On this point we are confident that eventually we shall be vindicated. For the present, we only ask that we be judged by the consistency of our words and actions now and in the future. Thank you.

[Moderator] Colonel Kapunan is ready to answer a few questions. [passage omitted]

[Unidentified reporter] Colonel Kapunan, why did not Honasan follow suit, like give himself up? Is there a split in the RAM?

[Kapunan] There might be some different opinions but definitely there is no split. We are now in the process of also...[changes thought] share our minds with all the rest who who have apprehensions. And I think the reason for that is basically simple apprehensions.

[Unidentified reporter] Colonel Honasan claims that the RAM still has a considerable force. Do you agree with him?

[Kapunan] I would not want to discuss this matter.

[Unidentified reporter] Colonel Kapunan, did you make a commitment to the military leadership that, while under military custody, you will not take part in any coup attempt against this government?

[Kapunan] I am going to sign another statement [words indistinct]. [passage omitted]

[Unidentified reporter] Colonel Kapunan, as a follow up, do you have any political plan in case you decide to leave the armed forces?

[Kapunan] This is something I cannot answer at this moment. It will all depend on what will happen in the future.

[Unidentified reporter] I just wanted to ask what made you decide to return to military control?

[Kapunan] As I mentioned earlier, this is my response to the call of unity by the chief of staff of the Armed Forces of the Philippines

[Unidentified reporter] Would you be placed in an office or a house or...?

[Kapunan, interrupting] I have placed myself under the custody of the chief of staff, it all depends upon how he disposes of me.

[Unidentified reporter] So it is the military's decision.

[Unidentified reporter] Sir, may I ask Colonel Kapunan if he is still willing to function as a government emissary now that he is under military custody?

[Kapunan] Yes. [passage omitted]

## Aquino To Exchange 'Help' for Rebel Cooperation

*HK0111084491 Manila THE CHRONICLE in English 1 Nov 91 pp 1, 10*

[By Booma Cruz]

[Text] President Aquino has promised soldiers linked to the December 1989 coup, the bloodiest attempt to topple her government, that she would help them in exchange for their cooperation in the government's efforts to achieve peace and stability.

In a closed-door meeting Saturday [26 October] initiated by Mrs. Aquino with 24 junior officers under arrest status, the President told the officers that "their conduct and cooperation" with the government would be a "critical" factor in her decision on the ongoing peace talks between the government and the military rebels.

"How they would cooperate with the government is critical in the decision of the President vis-a-vis the discussion of General Abadia with the ultra-right group," said Executive Secretary Franklin Drilon.

Going a step further toward reconciliation, Mrs. Aquino sought the junior officers' help in the government's effort to achieve peace and stability, the requisites for economic development.

She acknowledged that "all Filipinos" would have to work "together" for economic progress to be achieved.

During the one-hour, 45-minute talk, the junior officers assured the President they would not get involved with the Marocses or any of their plans, if any, to destabilize the government.

When asked how they were treated during their two years of confinement, they informed Mrs. Aquino that they were treated fairly and as officers, adding that the experience was "spiritually fulfilling" for a number of them.

At the same time, the junior officers called the attention of President Aquino to the case of enlisted men convicted by court martial for their participation in the 1987 coup.

They said the enlisted men were just trainees or had just finished training when cashiered rebel leader Gregorio Honasan "misled" them into joining the coup.

Drilon said the cases of the convicted men were still under review by the chief of staff, who will send his recommendations to the Secretary of National Defense and then the President for the final approval.

Mrs. Aquino promised the junior officers she would look into the case of the "misled" officers.

The 24 junior officers, most of them lieutenants from the air force, army and navy, are now under the custody of their senior officers. They were part of the 70 junior officers "released" by AFP [Armed Forces of the Philippines] chief of staff Gen. Lisandro Abadia when peace talks with rebel soldiers began. While on an arrest status, court martial proceedings against them would continue.

Mrs. Aquino has ordered Abadia to resume negotiations with the rebel soldiers despite a recent statement of Honasan that the rebels would not abandon the use of force as an alternative in effecting change within the government.

Mrs. Aquino said military operations against the rebels would resume if "no movement" occurs in the negotiations within a specified deadline.

Defense Secretary Renato de Villa said the government hopes to conclude the peace talks before the end of the month.

## Rebel Soldiers Not To Join Marcos' 'Plans'

*HK0111083391 Manila PHILIPPINES NEWSDAY in English 1 Nov 91 p 3*

[By Marie Rose Feliciano]

[Text] Twenty-four junior officers who joined the August 1987 coup attempt have assured President Aquino that they will not participate in any of the "plans" of Imelda R. Marcos, Executive Secretary Franklin Drilon said yesterday.

In a press briefing, Drilon said the President also told the young officers that their "cooperation" with the government in maintaining peace and stability is "critical" to the ongoing peace negotiations between Gen. Lisandro Abadia, Armed Forces chief, and the coup leaders.

Drilon said Mrs. Aquino "invited" the yound officers to meet with her at the New Executive building last Saturday. The meeting started at 5 p.m. and ended at 6:45 p.m.

"They (young officers) have assurances that they will not get involved with Mrs. Marcos or any of her plans," Drilon said.

Drilon, however, did not elaborate on what would be the possible "plans" of Mrs. Marcos who is set to fly home on Monday from Honolulu.

The young officers invited by Mrs. Aquino are under "arrest" status. They are under the custody of their senior military officers pending the resolution of the cases before the court martial, Drilon said.

During the meeting, Drilon said, Mrs. Aquino appealed to the officers to work together for the attainment of peace and stability.

## Government To Arrest Marcoses After They 'Rest'

*HK0111094891 Manila Manila Broadcasting Company DZRH in Tagalog 0800 GMT 1 Nov 91*

[Italicized passages in English]

[Text] Justice Secretary Silvestre Bello III said that, as Ferdinand Bong Bong Marcos, Jr. is now in the country, it is now possible to present him with all the different criminal cases that were filed against him during the time he was governor of Ilocos Norte. In an interview with DZRH, Bello said that it is now possible to present Bong Bong with the arrest warrant as soon as he settles down and after former First Lady Imelda Romualdez Marcos arrives next week. Here is part of Secretary Bello's statement:

[Begin Bello recording] Let us allow Mrs. Marcos and her family to have a rest first. *Let them settle down* first and, anyway, their papers are only one-way travel documents. *There is no hurry; then the warrant will be properly served.* [end recording]

## Marcos Jr. Says Government's Fears 'Unfounded'

*HK0111083891 Hong Kong AFP in English 0551 GMT 1 Nov 91*

[Text] Manila, Nov 1 (AFP)—The son of late deposed dictator Ferdinand Marcos said Friday the government of Philippine President Corazon Aquino harbored unfounded fears about his family and urged a reconciliation for the sake of the country.

"I hope we can work together. I don't know what they have in mind," Ferdinand Marcos Junior told DZRH radio in an interview aired Friday, one day after returning to the Philippine capital after nearly six years in exile. "I feel they are very much afraid that we would do something I don't even know. I want to assure them that we have no plans other than to help. We are not here to cause trouble or anything. We just want to be home," he said.

Aquino in July lifted a ban on the Marcos family returning to the Philippines, but maintained that the remains of her predecessor, who died in exile in Hawaii in 1989, could not be brought to the capital for burial. The Marcos family fled to Honolulu in 1986 amid a popular revolt that ended its 20-year rule and installed Marcos's rival Aquino in his place.

The younger Marcos said Thursday that the family was now willing to accept Aquino's terms that his father's corpse be flown directly to the northern Philippine city of Laoag for burial, but did not say when this would happen. "The time for hatred is past. We must think of the future, and what we can do to help, what we can do for the people," he told the radio station.

He described the charges of tax fraud filed against the Marcos children and their mother as a "nuisance" that had to be faced. "The people know it's pure harassment. We will fight it, and I'm sure it will be resolved in our favor. We are not worried now," he said.

## Ferdinand Marcos, Jr. Gives News Conference

*HK3110155691 Quezon City ABS-CBN Broadcasting Corporation DZMM in Tagalog 1148 GMT 31 Oct 91*

[News conference by Ferdinand "Bong Bong" Marcos, Jr. with unidentified reporters at the residence of Danding Cojuangco Jr. in Quezon City; presented by DZMM anchorman Val Domingo at DZMM studios and reported by DZMM reporters Vic and Gani (not further identified) on location—live, in Tagalog; broadcast in progress; italicized passages in English]

[Text] [Unidentified reporter] Do you have plans to talk with the Aquino administration about arranging for the return of your father's body?

[Marcos] No! No! They have said that we can bring it home to Laoag if that is what is required. If they change their minds and let us bring it to Manila, then we will bring it to Manila, but, if they will not allow that, then there is nothing we can do about it, so we will just bring it to Laoag.

[Unidentified reporter] [question indistinct]

[Marcos] *Again the same thing, nobody has decided anything about those things.*

[Domingo] He said that he feels like he is still a VIP, because all the press and media people are there with him. Back to you, Vic.

[Marcos] *It's very hard to be saying [passage indistinct] because decision cannot, like I stated before, decision cannot be* [passage indistinct] There will be a great deal of discussion before we can come to a decision.

*Again, the same thing, nobody has decided anything about those things.*

The answer is still the same and we will see. You know that we are concerned about bringing my father's remains to the country, and we are always think of his return. *I have to go home to Ilocos Norte and see what is happening there.*

[Domingo] Okay, Vic, Gani, I think you should point your portable radios toward the one asking the questions.

[Vic] You know, Val, these tangled cables are causing so many interruptions. Gani is still on the line.

[Domingo] Go ahead, Gani.

[Vic] It looks like we are having difficulty with Gani's signal, but he is still trying to stay near Bong Bong, and he is pointing his radio at Bong Bong's face.

[Domingo] Okay.

[Gani] Val, Bong Bong said that, based on his own information, his mother will arrive on Sunday [3 Nov]. I will give the *communication* back to Vic.

[Marcos] We have seen each other. *I was there for a week,* and it has been a long time since I last saw my nieces, so I visited them first.

[Unidentified reporter] [question indistinct]

[Marcos] *Daddy* will be coming with her.

[Unidentified reporter] [question indistinct]

[Marcos] *I mean, right now [passage indistinct] still in Portugal [passage indistinct] and also with my father.*

[Unidentified reporter] [question indistinct]

[Marcos] I cannot say. I have to make arrrangements [passage indistinct]. I will request [passage indistinct] permit to enter America [passage indistinct], so I need to fix all of those things. There are so many things that need to be fixed [passage indistinct]

[Vic] There seems to be a lot of interruptions in our communication, Val, but Gani will continue to cover it.

[Undidentified reporter] [question indistinct]

[Marcos] In my opinion, they will be together; and, myself, I am just alone. It was easy for me to travel, unlike them, who have their families and *they need to be together.* They are concerned about their children.

[Vic] Okay.

[Domingo] Okay, Vic, go ahead.

[Vic] Bong Bong is still talking.

[Undidentified reporter] *What has the six years of exile* [passage indistinct]

[Marcos, in progress] *...I am a Filipino, how necessary this is for me to be in the Philippines. It has taught me [pause] that many, many things that I should come back and do for the Philippines. It has taught me to appreciate my family more. It has taught me to appreciate [passage indistinct] and friends* [passage indistinct]

[Domingo] Friends, you are still listening to a news conference, even though you cannot [passage indistinct]

[Marcos] [passage indistinct]

[Domingo] We still cannot hear the questions.

[Vic] Bong Bong, how true is the report that your mother, former First Lady Imelda Marcos, will not run for office when she returns to the Philippines?

[Marcos] You must ask her, because we have not discussed this matter, *so, I am sure* she cannot answer it until she stays a while in the country. [passage indistinct] *no major role in family decisions* [passage indistinct]

[Domingo] Okay, Vic, why don't you exchange radios with Gani?

[Vic] Ten-four, roger. Here is Bong Bong.

[Marcos] [passage indistinct]

[Domingo] Please exchange radios with Gani.

[Marcos] [passage indistinct] *We have been wanting to come back for over, for nearly six years, we have not been afraid any of that time; we are not afraid now.*

[Unidentified reporter] [question indistinct]

[Marcos] *Personal feeling? We wish that her judgment had been better in handling all of this, but that is the way that it is. You know, I think the time for bitterness and anger has passed, it's a long, long time since 1986. It's a long, long time since my father died and* that is over, that is over, *it's time to move on,* and, if we get stuck in the past, nothing will happen to us, and it will lead us nowhere; it's finished. *It's time to move on.*

[Vic] Bong Bong.

[Domingo] Okay, looks like we are encountering a litle hissing, but the signal seems to be a bit clearer.

[Vic] Ten four, and Bong Bong continues to answer all the questions that the media people are asking. Bong Bong is already standing up, and he is leaving. Bong Bong, please wait a while; one more question, do you have any plans to enter into politics?

[Marcos] We have not yet discussed that matter. I still need to talk with the people and leaders of Ilocos Norte; we will just have to see, and I still do not know yet"

[Domingo] They are now having a photo session. It seems they are busy taking pictures now.

### Editorial Discusses Imelda Marcos 'Media Event'

*HK0111105191 Manila THE CHRONCILE in English 1 Nov 91 pp 1, 10*

[Editorial: "Imelda is an Old Dog With No New Tricks"]

[Text] We are not sure whether Mrs. Imelda Marcos will go ahead with her plan to come home on Sunday. She may yet again invent a reason to postpone it. In the meantime, she has been squeezing every juice of publicity out of her homecoming. In the effort, she has succeeded in seducing a large number of people, including foreign and Filipino media, to participate in building up her return into a media event with the fervor with which superstitious people await the coming of a messiah.

If ever she decides to return, with or without the remains of former President Marcos, Mrs. Marcos comes home to a country and people that rejected them only six years ago. The Marcoses were not only rejected electorally by the people, a fate most former Presidents had suffered. But, more important to remember, the Marcoses, unlike the former occupants of Malacanang, fled the country like fugitives from the wrath of the people they had abused and the nation whose wealth they had pillaged. They left in uter disgrace, together with whatever booty they could carry with them in a plane provided by the U.S. Air Force (thanks to ex-President Ronald Reagan). If they had not fled in time, they would have been lynched by the mob which had invaded the palace, itching to tear their bodies apart. That was how outraged the people were in February 1986 with the misrule of the Marcoses.

The Marcos partisans would like us to believe that the people have forgotten the reasons why the population joined the rising at Edsa (Epifanio De Los Santos Avenue) and why the millions of citizens danced with delirious joy after the family that had ruled them like imperial hereditary monarchs in a country without a monarchical tradition had been overthrown.

Obviously, those seduced by the glittering and extravagant life style of Mrs. Marcos have succeeded in creating their own reality that the people have forgotten those days of abuse of power and excesses. One proof that they are nursing this illusion is that Mrs. Marcos is coming home not with a forlorn booking for a couple of airline seats, but with an assorted menagerie of sycophants, cronies, die-hard supporters and media men which could easily fill a fleet of chartered Boeing 747 jet liners.

The entourage easily reminds us of the hordes of hangers-on and sycophants that accompanied her in her overseas trips during the Marcos regime.

This circus-like homecoming is supposedly intended to show the Aquino government that the Marcoses have regained the favor of the people and that she or the Marcos cronies can now return to politics or reenter business without ever having to account for the years in which they plundered and pillaged the economy.

It may be impossible to shake the Marcos followers out of their illusion, but the gaudy style in which Mrs. Marcos is going to reenter the country, a style that is her label for her coarseness and lack of taste and dignity, resurrects the things against which Filipinos revolted in 1986. But as they say, an old dog cannot be taught new tricks.

As far as most Filipinos are concerned, the Marcos era is past and Mrs. Marcos is a relic which deserves no attention except as piece of historical curiosity, so she must not provoke the Filipinos' patience.

Since Mrs. Marcos has never introduced any significant idea, except how to spend wealth frivolously, especially that which belongs to the nation or others, there is absolutely no reason why people would be tripping on their heels to welcome her at the airport. They may be curious to find out what zarzuela [a type of Filipino play] she may stage this time. But after a while, that, too, will become boring.

It's a different nation Mrs. Marcos is returning to. It is a nation that aches to be led into a brighter future and reconstruct the economic devastation wrought by the Marcos regime and compounded by the Aquino government. It does not need the fiestas and charades that Mrs. Marcos and her cohorts are offering the nation. These can only distract efforts towards reconstruction. During the Marcos years, Mrs. Marcos provided the entertainment—the bread and circuses—that engaged the nation's attention away from the corruption, abuses, misrule and looting of the economy. We don't need these sideshows anymore.

Mrs. Marcos never made sense during the Marcos years. Nothing has happened in her brains after their flight in 1986 to indicate that they have been transformed to produce something worthwhile remembering other than weird statements about the black hole in the universe.

What all of us should remember about Mrs. Marcos' return is that she is facing dozens of criminal cases involving stolen wealth and tax evasion. She has to stand trial for these. She has many things to account for. There is a mountain of evidence stacked against her in regard to the stolen wealth, and she has to explain and defend herself from these allegations. She is not coming home for a fiesta. She has to face the music. It would be a mistake for anyone to think that the people are now ready to forget that the Marcoses and their cohorts owe the nation reparations for the plunder they had done.

As for the media, it is a reflection of their values in the assessment of events that many of them are engaged in the hype over her homecoming. The media are creating a big event out of a joke invented by someone who has taken herself too seriously.

## State To Join Cambodian Peacekeeping Force

*HK0111084091 Manila PHILIPPINES NEWSDAY in English 1 Nov 91 p 3*

[By Arthur I. Bariuad]

[Text] The Philippines will take an active role in Cambodia's democratic transition by becoming part of the proposed United Nations Transition Group (UNTAG), a peace-keeping force tasked to oversee the final establishment of constitutional government in that troubled Southeast Asian country, Foreign Secretary Raul S. Manglapus said yesterday.

Manglapus, who led the foreign ministers of the six-member Association of Southeast Asian Nations (ASEAN) in the signing of the UN-brokered Cambodian treaty in Paris last week, said the "Philippines hopes to be able to be of service in bringing peace" to Cambodia.

The Cambodian treaty signed among the four warring Cambodian factions lays down steps leading to the establishment of a constitutional democratic government in Cambodia. It also calls for the cessation of hostilities and the holding of national elections. The treaty was a diplomatic victory for the UN and 18 nations, which includes the five permanent members of the UN Security Council and the ASEAN.

Manglapus said the Philippines, along with the other five ASEAN member countries, were awaiting the final guidelines on the formation of the UNTAG to be issued by UN Secretary General Javier Perez de Cuellar before December.

Manglapus is currently the chairman of the ASEAN standing committee.

"The ASEAN countries, including the Philippines, look forward to participating in that (UNTAG) and to the final establihsment of the constitutional democracy in Cambodia," Manglapus stressed.

The foreign secretary said while UNTAG's role was primarily for peace-keeping purposes, the UN group "may become a governing body" prior to the holding of elections in Cambodia.

He said the ASEAN, as a regional organization, has a lot to earn from the political settlement of the Cambodian problem. While he said that the first step towards peace has been established, the implementation of Cambodia's dream would still be a difficult task.

Manglapus said the achievement of peace and stability in the Southeast Asian mainland would lead to the economic development of the whole region.

## Tanada Fears U.S. To Keep Bases 'Indefinitely'

*HK0111082491 Manila PHILIPPINE DAILY INQUIRER in English 1 Nov 91 p 6*

[By Tony S. Bergonia]

[Text] Sen. Wigberto Tanada yesterday said there are strong indications President Aquino intends to keep U.S. troops here even beyond her term by giving the next administration enough leeway to amend the Constitution.

"All indications point to the apparent determination of the Aquino administration to maintain American troops here beyond 1992," Tanada said in an interview at the Senate.

Tanada, an anti-base opponent, cited three indications the Aquino administration intends to keep U.S. troops here indefinitely.

—Malacanang's failure to acknowledge receipt of a framework for a one-year pullout of all U.S. combat troops and weapons at Subic Naval Base.

The framework, detailing a plan for a one-year troop and weapons pullout, was submitted by Tanada to Malacanang and Executive Secretary Franklin Drilon two weeks ago.

"Apparently, they are simply ignoring it," Tanada said.

—The government failure to put into place "even a semblance" of conversion of Clark Air Base for civilian use.

Brig. Gen. Leopoldo Acot, Filipino commander at Clark, told Sen. Victor Ziga Monday that the Americans have turned over 2,700 hectares of facilities at Clark.

Ziga's committee on public works found out during an inspection tour of Clark that the government has not moved to begin the conversion of the facilities, which included a 250-bed capacity hospital and posh residences of American personnel.

—The Philippine withdrawal panel's "wait-and-see" attitude toward pullout talks. Neither the Philippine nor U.S. panel has made the initiative to work out the plan in detail although there were vague reports about an agreement in principle over a three-year pullout plan.

"All we know is that there are unofficial talks going on. But what is really going on?" asked Tanada.

Tanada said it is also unclear by what legal basis the Americans are keeping and operating a substantial portion of Clark.

Based on the briefing given by Acot, the Americans are still operating over 1,000 hectares of facilities at Clark, mostly ammunition dumps and fuel depots.

## Senator Enrile on Terrell Plot, Bases, Elections

*HK3010091391 Hong Kong Asia Television Limited in English 1200 GMT 27 Oct 91*

[Interview with Philippine Senator Juan Ponce Enrile by program host Maureen Boyd; from "Newsline" program—live or recorded]

[Text] [Boyd] Welcome back. Senator Enrile, you of course were minister of defense for both President Marcos and President Aquino, and you're now an opposition senator. And the big story this week, of course, is about the foreign minister reputedly arranging a hitman to kill President Aquino's political enemies, and you're one of those on the list. Do you believe that?

[Enrile] I think there is enough details and facts to draw the conclusion that there is truth to this story.

[Boyd] But the chief of the Armed Forces says, of course, that there's not a shred of evidence.

[Enrile] Well, you see, these people have not actually looked at the evidence deeply, and apart from that, of course, it is only to be expected that they would defend the administration—Mr. Manglapus, the foreign secretary, being a very senior and close adviser to the president.

[Boyd] But also, the news that the plot doesn't hurt you in any way and your bid for the presidency?

[Enrile] Well, actually, I am not new to these kinds of threats. Over a period of 17 years that I have been serving as defense minister, defense secretary of the Republic of the Philippines, I was exposed to these kinds of threats. And in fact, I knew about this plot early on in the year, and I did not give very much credence to it.

And then, later on—about two weeks before it broke into the media—I was peremptorily advised to meet somebody at, in a hotel in Manila. And I went. And the same information was given to me. And I did not give any importance to it, until I was approached by Bill Branigan, who is the Philippine correspondent of the WASHINGTON POST. And he urgently asked for an interview. And when I finally met him in the Senate, one of the rooms at the Philippine Senate, he showed me the transcript of an earlier interview of one Jack Terrell by American Broadcasting Corporation news, and he asked me to read it.

I said I heard this story before. But anyway, he says, why don't you read the transcript and I would like to get your reaction.

And when I read it. And then I say ... [changes thought] I started to really get shocked about the details that were being revealed.

[Boyd, interrupting] Okay, well Senator, I don't want to get too much into the pros and cons of it all now. But I mean, it is certainly...[changes thought] you're saying it's not a surprise in terms of Philippine politics. Now the chief of the Armed Forces warned this week that if there is fraud, you know, corruption, that the military will intervene in the presidential elections if necessary. Do you feel threatened or reassured by that kind of warning?

[Enrile] No, I don't feel threatened, neither do I feel reassured. As one who believes that the Constitution must be respected, I would naturally be a little bit alarmed by that kind of remark by the chief of staff of the Armed Forces of the Philippines. But, we almost...[changes thought] we knew this to be the thinking of the military all along because they feel that if democracy will not work in the Philippines, then therefore, under the Constitution, the military organization is the protector of the people. And, therefore, being a protector of the people, it must intervene in order to restore order.

[Boyd] Okay, let us turn to the issue of the bases for a moment. You are one of those who voted against extending the 10 year treaty, and now the compromise deal—the Americans must be out by 1994. Now about ... [changes thought] you know the figures vary, 80,000 or so Filipinos are dependent upon the bases for their jobs. How do you propose giving them new jobs?

[Enrile] Actually, it's not a question of giving them the jobs, its a question ... [changes thought] it's a choice between the economic problem of some of our people and the final liberation of the Philippines. Some of us felt that weighing these two values together, it's better perhaps to really do it now than postpone it.

[Boyd] Well, sure. Kicking out the bases might appeal to, you know, the heartstrings for a lot of people ...

[Enrile, interrupting] But maybe, if I may add, one of the ways that we are thinking is perhaps if we can invite some of the Hong Kong businessmen to transfer their manufacturing plants in Subic. It's a good port, you know. And we will carve out an industrial zone there where they can have land. And maybe we can provide in a law that there would be no labor problems, and they'll have some tax holidays just to create jobs for our people.

[Boyd] There's your free sales pitch that you got in. [Enrile laughs] But you know, in the next few years, in addition to coping with the economic difficulties that you have and all the natural disasters that the Philippines seems to attract, the government is going to have to cope with this transition with the U.S. relationship. Are you really prepared to do that now?

[Enrile] I think so. I think if you quantify the contribution of the American military presence in the Philippines to the gross national product of the Philippines, you will find out that it is not really that much. It is something we could carry.

Now, on the other hand, I don't think the United States would just leave the Philippines like that. After all, I do not believe that the Americans are our friends only because they have bases in the Philippines. I would like to believe that there are deeper foundations of this friendship between the Philippines and United States.

And contrary to the perception of other people, the military bases is not actually the source of Philippines-American military relations. Philippines-American military relations is based on another treaty, which is the mutual defense treaty. And that mutual defense treaty will not disappear ...

[Boyd, interrupting] Yeah, but I'm also talking about ...

[Enrile, interrupting] ... simply because of the removal of the bases.

[Boyd] Sure. But I am talking of economics. I mean Thailand, Indonesia—a lot of the other Asian countries are outpacing the Philippines. I'm just wondering why you need to bring this upon yourselves now.

[Enrile] Well, because we want a new direction. Maybe the next president, if he happens to be Juan Ponce Enrile, it will be a new direction. And I think we do not need the bases to bring foreign investors onto our shores.

[Boyd] Okay, let us talk about here in Hong Kong for a moment. The largest expat population in Hong Kong is of course from the Philippines. There's approximately 70,000 domestic helpers here now.

[Enrile] That's correct. That's something ... [changes thought] if I may intrude? That's something I would like to reverse. I would like to see the day when we are no longer known as exporters of maids and helpers, but at least, if we export manpower, they must be people with skills in technology and the sciences.

[Boyd] Well, its very nice to say, but we hear all the time how a domestic helper in Hong Kong can earn more than a vice chancellor of a university.

[Enrile] That's correct. Precisely.

[Boyd] You have university graduates... [changes thought] In the meantime, before this happens—your wish, do you feel satisfied with the treatment that they are given and the level of protection they are offered by Hong Kong Government?

[Enrile] Well, no one would ever be satisfied in this world. There are always complaints. But it is something we'll have to suffer in the meantime, the same way the Taiwanese and many other Asian countries around us suffered in the past...

[Boyd, interrupting] Yeah, well...

[Enrile, interrupting] ...when they were also in our condition.

[Boyd] You talk to the domestic helpers associations and they say, you know, there's really no need for this kind of suffering. I mean, if you just do the simple arithmetic. I mean, we are talking about some 2 ½ billion dollars Hong Kong a year that the domestic helpers are making and it's been suggested that the Philippines Government would not want to risk this source of foreign exchange, jeopardize it in any way by insisting on better working conditions.

[Enrile] I think if the Philippines Government would deal with this problem on a government-to-government basis, I do not think that the Hong Kong Government will be that hard-hearted not to...

[Boyd, interrupting] Yeah, but you had time during your government, with both presidents...

[Enrile, interrupting] Well, you see, actually I was not involved in this case...

[Boyd, interrupting] Well, you're a member of the cabinet...

[Enrile, interrupting] Yes, I was involved...

[Boyd, interrupting] ...and adviser to the government...

[Enrile, interrupting] ...in the problem of internal security and defense.

[Boyd] So, you don't consider yourself responsible for the collective actions of the government while you're in...

[Enrile, interrupting] Well actually, we took certain positions on certain issues, and it was precisely because of that there was a cooling off of a warm relationship, and it ended up in an explosive situation which was known over the world as the EDSA [Epifanio delos Santos Avenue] Revolution.

[Boyd] Okay, but you were talking a moment ago about how you don't want to be known as an exporter of maids. Well, here in Hong Kong you may not be, because after 1997, a lot people believe that China wishes to replace mainland domestic helpers to give jobs to mainland women. What will you do in those circumstances?

[Enrile] Well, maybe at that time, we shall have in place a new program of government in the Philippines and maybe, instead of exporting maids, we will be attracting them back to the Philippines.

[Boyd] Okay. Let's talk to your chances in the presidential elections and...

[Enrile] That's a good... [Laughs]

[Boyd, interrupting] I'm sure you'd love to...

[Enrile, interrupting] That's a good shot that you're going to make.

[Boyd] You've been described to me as having a reputation, but not a following.

[Enrile] Really?

[Boyd] What does that mean to your chances in the...

[Enrile] Well, wait until you... [changes thought] we have the result of the convention. You know, there are so many people who depend upon surveys. But I can have a survey tomorrow, and maybe I'll top it, you see.

[Boyd] Okay. [Laughs] Imelda Marcos may be returning...

[Enrile, interrupting] Yes, she will be coming back the first week of November.

[Boyd] Okay. Give us your views on her return and what that will mean...

[Enrile] Oh, I think she will be coming back to see what is going on politically in the country.

[Boyd] Well, that's... [changes thought] I'll give you a little time to expand on that. [Laughs]

[Enrile] Well, you can never divorce the Marcoses from the political life of the nation. They have been there for more than 20 years and, on her own, Mrs. Marcos is a political leader in her part of the country—this is Region 8. And so, therefore, no one can ignore that.

Whether she will engage herself directly and actively into the next political event, which is 1992, May 1992, is still yet to be proven because she has not firmed up her intentions.

Although, I firmly believe that she would not run for any public office. She will probably try to help some people.

[Boyd] Okay. Who do you see in the elections is your main opponent?

[Enrile] Mrs. Aquino.

[Boyd] And you think she's...you're convinced that she's going to run again?

[Enrile] I... [changes thought] reading the events and the pronouncements, and reading the deeds of the Aquino administration, including the president herself, I guess one could be led to conclude that she may just take over from Mr. Mitra and Mr. Ramos as an official candidate of the ruling party in the Philippines for the presidency. And, of course, if she would be the candidate, then we would have to treat her as a president, give her the due respect, and most of all, as a lady. And we are going to be very high level in our campaign, but nevertheless, we will not foreclose our criticism of the omissions and abuses and excesses of her government.

[Boyd] Okay. Well, on that campaign note we'll end the interview. Thank you very much for coming in.

[Enrile] Thank you very much.

## Enrile Intervenes in Party Leadership 'Squabble'

*HK3010110891 Manila Manila Broadcasting Company DZRH in Tagalog 0800 GMT 30 Oct 91*

[By Restie De Quiros]

[Text] Senator Juan Ponce Enrile, Senate minority floor leader, has intervened in a plan to oust Vice President Salvador Laurel as Nationalist Party [NP] president. Enrile said that all the steps taken by former Ambassador Eduardo Danding Cojuangco Jr., including that of forming a crisis committee, are null and void.

Cojuangco's group formed the crisis committee in order to reorganize the NP after Laurel was accused of manipulating the party. In an interview with various media representatives following his arrival at Ninoy Aquino International Airport from Hong Kong, the senator stressed that the NP will not be destroyed simply because of some of its members have been squabbling.

He also denied that he was forced to end his Hong Kong visit due to the squabble between Laurel and Cojuangco's groups. He said that he will try to reunite the two groups to restore unity, but Enrile admitted that the vice president has it in his power to oust the former ambassador if he can gather enough NP members to support this move.

With regards to Cojuangco's complaints, the senator said that they [Cojuangco's group] should not complain, because the system Laurel is using to position party members who will assure him of winning the party convention has been in force for a very long time.

Enrile also said that new members to the party must undergo the process which the NP follows in accepting new members and that they should not simply take their oath before any NP official. It was clear that he was referring to those who joined the NP recently by taking their oath before former Rizal Governor Isidro Rodriguez.

## Air Force Denies NPA Downed 3 Helicopters

*HK3110053191 Manila MANILA BULLETIN in English 31 Oct 91 p 8*

[By Louie Perez]

[Text] Villamor Air Base—Philippine Air Force (PAF) authorities denied yesterday the New People's Army (NPA) claim of shooting down three military helicopters over Marag Valley in the Mountain Province recently.

Lt. Col. Segundo F. Dimapilis, PAF spokesman, said the NPA claim is absurd and ridiculous as he said all PAF helicopters assigned to Northern Luzon, including those assigned to Marag Valley, returned safely to their bases after performing their missions and each one of them has been accounted for.

The NPA reportedly said its Balmores Command in Cagayan shot down three military helicopters and two MG520 gunships. Dimapilis laughed off the report, saying it was pure propaganda of the NPA.

### Military Kills Two Suspected NPA Rebels

*HK3110121991 Quezon City ABS-CBN Broadcasting Corporation DZMM in Tagalog 1100 GMT 31 Oct 91*

[Text] Two suspected communist rebels were killed during an encounter with government troops in Santa Cruz, Davao del Sur. Those killed have been identified as Roberto Gutierez, alias Marlon; and Lino Sumandang, alias Glenn. Gutierez was suspected to be the commander of the New People's Army Front Guerilla Unit in Davao del Sur. Sumandang was suspected to be the commander of the Magtanggol Rogue Command Andoy Platoon. According to Major Ernie Amboy, commanding officer of the 46th Infantry Battalion, two companions of Gutierez and Sumandang escaped after an exchange of fire with his men. Amboy also said that Gutierez was the one who killed a Philippine National Police sergeant and a sergeant from his battalion.

### Four Communist Party Officials Surrender

*HK3010045891 Manila MANILA BULLETIN in English 30 Oct 91 p 8*

[By Mike Crismundo]

[Text] St. Christine, Lianga, Surigao del Sur—Four officials of the Communist Party of the Philippines-New People's Army [CPP-NPA] surrendered to Philippine Army Task Force Diamond II in northern Mindanao while at least 13 NPA rebels and one government soldiers were killed, and two other rebels and three Army soldiers and a CAFGU [Civilian Armed Forces Geographical Units] member were wounded in three gunbattles in the province, an Army commander said.

At a military briefing with top AFP [Armed Forces of the Philippines] commander led by Armed Forces chief of Staff Gen. Lisandro Abadia here Tuesday, Brig. Gen. Antonio Nale, Task Force Diamond II commander, identified the CPP-NPA officials as Rodrigo (Oding) P. Enot, leader of the Abe force main regional guerrilla unit (MRGU) Kamandag; Virgilio Quijano, northeastern Mindanao regional party committee finance officer; Romulo dela Cerna, secretary of the Surigao del Sur provincial party committee; and Gregorio Tejero, provincial Party NPA regulars.

Enot was given a P [Philippine pesos] 54,000 cash reward for his surrender of one M-16 armalite rifle, one M-14 rifle, one garand rifle, one Browning automatic rifle and one carbine.

### Negros Governor Urges Peace Talks With Rebels

*HK3110052491 Manila PHILIPPINE DAILY INQUIRER in English 31 Oct 91 p 14*

[BY Remy G. Amarado]

[Text] Dumaguete City, Negros Oriental—The governor of this Central Visayas province has reiterated his call to communist rebels for a peace negotiation in an effort to forge an eventual ceasefire in the island.

The National Democratic Front (NDF) and its major affiliates, the Communist Party of the Philippines (CPP) and its military arm, the New People's Army (NPA), in Negros Oriental have yet to answer the governor's initiative.

"Panahon na tingali nga maundang na ang atong paginawayay dinhi sa atong lalawigan kay puros ra man ta mga pilipino (It's time for us now to end the hostilities in our province because we are all Filipinos)," Gov. Emilio Macias II told the INQUIRER in an interview last week.

Macias said he personally prepared leaflets for distribution to all cities and towns, particularly in the hinterland areas, to inform the rebels of his intention.

He said he will ask the military to take a defensive stance once the leaflets are distributed. He also sought the help of the church and the media to convince the dissidents to heed his call.

"I am willing to talk to any rebel representative anytime, anywhere," Macias said.

Meanwhile, Superintendent Jose Bandong Jr., PNP [Philippine National Police] director of NEgros Oriental, told the INQUIRER the police is giving its "all out support" to the governor in his initiative of holding peace talks with the rebels.

Bandong promised to personally supervise the dropping of leaflets in the hinterland areas using his command's helicopter gunship.

### 'Peace Zone' To Shelter Fleeing Marag Citizens

*HK3110031291 Manila Far East Broadcasting Company in Tagalog 0100 GMT 31 Oct 91*

[By Grey Timbol]

[Text] It has been proposed that Sitio Kadaklan, Barangay Macalinog, Pamplona, Cagayan be made into a peace zone to temporarily shelter the people of Marag while the military activities against the communist rebels intensify.

Colonel Roberto Manlongat, 53d Infantry Battalion commander, made the proposal after discussions with the Justice Department's third fact-finding mission.

Manlongat told State Prosecutor Ernani Barrios, team leader of the fact-finding mission, that the peace zone to be established at Barangay Macalinog aims to unify the people of Baragays Kalabigan, Kalayukay, and Kalandungan, who were dispersed by the intensive military operations being conducted against communist rebels in the area.

Colonel Manlongat replaced General Homer Capulong as battalion commander after reports that the military was involved in gross human rights violations in the area. Manlongat also said that, although military operations in Marag Valley will continue, he will try to restore the people's trust in the government, particularly the military, in an effort to restore peace in Marag Valley.

### Rebels Acquitted of Murder, Kidnapping Charges

*HK3010111091 Manila Manila Broadcasting Company DZRH in Tagalog 0800 GMT 30 Oct 91*

[Text] The court ahs formally dismissed multiple murder charges filed against retired General Felix Brawner, Jr. for his involvement in the December 1989 coup attempt. At the same time, Jaime Salazar, Quezon City Regional Trial Court judge, also dismissed charges of kidnapping which required serious illegal detention against Satur Ocampo and his wife, Carolina Malay. Judge Salazar read the decision pertaining to the Ocampos after carefully examining the facts of the case.

The accused were pleased with the court's verdicts. For his part, Brawner expressed his gratitude over the triumph of justice in his case.

## Thailand

### U.S. Drug Enforcement Agency Chief Meets Anan

*BK0111055591 Bangkok THE NATION in English 1 Nov 91 p A2*

[Excerpts] There are indications that Thai drug traffickers, traditionally suppliers of heroin transiting through Thailand, have become more involved in the distribution of the narcotics in the United States, according to a visiting U.S. anti-drug chief.

"Supply networks of the (drug trafficking) organizations extend all the way to delivery of heroin in the United States, all the way to New York City," said Judge Robert Bonner, administrator of the Drug Enforcement Administration (DEA). [passage omitted]

The DEA chief met Prime Minister Anan Panyarachun and Deputy Prime Minister Phao Sarasin, in charge of narcotics suppression, after arriving here for a five-day visit yesterday. The visit is part of his East Asian tour that will also take him to Vientiane, Hong Kong, and Beijing. [passage omitted]

### Union Conflict With U.S. Firm Seagate Viewed

*BK2910015391 Bangkok BANGKOK POST in English 29 Oct 91 p 4*

[Editorial: "Compromise, Not Confrontation"]

[Text] Interior Minister Itsaraphong Nunphakdi let it be known yesterday that he believes it to be in everyone's interests for all 708 workers dismissed by Seagate Technology (Thailand) Co to be reinstated immediately. Trouble at the American-owned factory on Theparak Road in Samut Prakan has been reported in the Press since early August when some 4,000 workers assembled to protest about the management's alleged refusal to entertain their demands for better working conditions. Workers' representatives presented a list of 13 demands, but the management's reaction was reportedly to dismiss four of the representatives at once and order them arrested for entering the factory without permission.

At the centre of the workers' demands are requests for improved medical services and better ventilation. Dissatisfaction with conditions developed after some workers became ill as a result of what they believed to be contact with lead soldering used in the factory. The workers also asked for regular eye check-ups following complaints that some of them had suffered eye problems as a result of their work at the Seagate factory. Worker representatives earlier said employees had been threatened with the sack "if they did not cooperate."

Seagate has some 12,000 employees at the Samut Prakan factory where components for computer hard disc drives are made. Another factory that assembles the discs north of Bangkok employs some 4,000 staff. Many of the staff at both factories are young female workers from the provinces.

While the workers see the dispute as one about conditions the company sees it as "a union organising issue." Company spokeswoman Linda Johns was quoted earlier this month as saying that when state enterprises unions were banned earlier this year the unions "lost 50 percent of their members with one stroke of the pen. So they had to go out and find new ones. And if you can't use the public sector, you have to go to the private sector. And we just happen to be a big" private company, she said. Samples of air taken from the factory in August found "the amount of lead in the air was very minuscule," she said.

But workers say Seagate does not tell them the results of their annual medical examinations, a charge the company admits. "That is a failing on our part," Johns said. "I guess they felt that if everyone was healthy they did not need to give the results. But we took that under advisement this year" when it became an issue, and will release future results.

Interior Minister Itsaraphong became involved in the dispsute only after Seagate management refused to attend talks with worker representatives under the mediation of the Labour Department. The management said it would not talk to the representatives because some workers had allegedly damaged company property. By law the minister is empowered to order employers to reinstate dismissed workers in cases where an industrial dispute threatens internal peace, order or the economy. There have been no reports Gen Itsaraphong has considered invoking his authority in this case.

Clearly there has been a breakdown in communications between management and staff at Seagate. On the one side are executives who were apparently reared in the western business ways of hiring and firing. On the other are employees, many who may never have been inside a factory before they were employed by Seagate. Whether or not the factory's ventilation is really adequate or the work genuinely causes eye problems, a perception of such hazards among such a large staff coming to terms with the unfamiliar discipline of shift work and pressures of urban life is enough to create fertile ground for misunderstanding.

Thai workers are renowned both in their own country and abroad for their adaptability and willingness. This willingness does not, however, stretch to a willingness to be pushed around. Labour relations in the west are often based on confrontation. Compromise and understanding work better here.

### Anan To Decide on Grace Period for Patent Act

*BK2610025291 Bangkok BANGKOK POST in English 26 Oct 91 p 11*

[Text] Prime Minister Anan Panyarachun has been asked to make a final decision on the grace period for pharmaceutical products before the revised Patent Act comes into effect.

Mr Anan's input was sought because of the Commercial and Public Health Ministries' failure to reach a compromise on the issue.

The revisions to the Act would bring pharmaceutical products under the protection of patents law if the products had applied for patents in Thailand.

The committee reviewing intellectual property rights protection decided yesterday to stand by its decision to provide only 180 days of grace before the Act revisions for patented products took effect and immediately informed the premier of their decision.

The revisions would take effect once the draft amendment of the Patent Act had been passed by the National Legislative Assembly and announced in the Royal Gazette, a highly-placed source in the committee said.

The committee had asked the Prime Minister to make a final decision on the matter because its 180-day grace period did not meet Public Health Ministry demands. The ministry wanted a grace period of at least four years to help Thai industry goups to adjust to the new conditions.

Although a Cabinet meeting this week approved the draft amendment to the Patent Act, the two ministries stil had not resolved their conflict, the source said.

The source said the four-year grace period sought by the Public Health Ministry was unnecessary because it took 7-9 years for pharmaceutical product patent applications to be processed.

The local industry would therefore automatically have a long grace period to adjust itself before the first patent took effect.

The draft amendments approved by Cabinet on Tuesday also included several measures to protect the poor from adverse effects of the changes.

The amendments included strict compulsory licensing provisions, retention of the Govenrment's right to withdraw patents if products were sold at unreasonably high prices and special chapter on establishing a price monitoring board to prevent patent holders from unfairly boosting prices.

They also ruled out giving transitional protection to drugs which were not new on the market, as the United States had demanded.

The source said the committee believed adoption of the Public Health Minsitry's proposal could damage Thailand's attempt to resolve its trade dispute with Washington, becuase the U.S. wanted Thailand to speed up amendments to the law.

"The Government still has a stumbling block on the compulsory licensing and transitional period, which were strongly demanded by the U.S., but it still has room for further negotiation," he said.

"However, negotiations may have failed at once if the government decided to provide the four-year period of grace as requested by the Public Health Ministry."

### More on Patent Law, Grace Period

*BK2510041391 Bangkok THE NATION in English 25 Oct 91 p B1*

[Text] The premier will be asked to intervene in the ruling of an appropriate grace period during which new drugs and the chemical components are still exempt from protection when the revised patent law comes into effect, following yesterday's failure of the Commerce and Public Health ministries to make a decision.

Prayun Thaldengsi, executive director of the Board of Trade, a private sector organization, has voiced support for a short grace period in line with the Commerce Ministry's suggestion.

A well-informed government source said yesterday that the intellectual property committee, chaired by permanent secretary Phatchara Itsarasena of the Commerce Ministry, could not decide on the appropriate grace period for new drugs and their active ingredients when the meeting was reconvened yesterday.

The failure yesterday reflects the conflicting positions of the commerce and Public Health ministries on this key issue after the final draft of the patent bill was approved on Tuesday at the Cabinet's weekly meeting.

The Cabinet had instructed the committee to come up with a recommendation on the period of grace and propose it to Prime Minister Anan Panyarachun within seven days before the final draft, together with their recommendation, is submitted to the National Legislative Assembly.

The Commerce Ministry wanted the period to be only 180 days, a normal timeframe for every new legislation to take effect after the passage of the law by the National Legislative Assembly and its announcement in the Royal Gazette.

The Public Health Ministry, on the other hand, wanted the period to be four years, as was the case with Canada which passed a new patent law granting pharmaceutical patents in 1989.

The grace period is meant to give the local industry time to adjust to the new business environment whereby production of generic drugs whose original formulas are still protected by patents without proper licensing agreements would have to stop. At the same time, consumers who will likely have to pay higher prices for prescription drugs, will also have time to adjust.

## Aeroflot To Establish Bangkok Regional Center

*BK2610025491 Bangkok BANGKOK POST in English 26 Oct 91 p 11, 18*

[Text] Soviet national airline Aeroflot, recognising Thailand as a regional aviation hub, is establishing a regional centre in Bangkok.

The airline celebrates its 20th anniversary of operations in Thailand next Tuesday.

It plans to boost its operations in Bangkok by introducing new routes from Bangkok to other destinations and by replacing its existing Ilyushin (IL) aircraft with A310s next year.

It will be the first time Aeroflot has used the Airbus aircraft on the Moscow-Bangkok route.

Aeroflot commercial manager and acting general manager Uriy Samojlov said Aeroflot had become aware of the potential for aviation and tourism growth in the Asia/Pacific region, and Thailand's key role in that growth.

The regional office would handle all Aeroflot activities, including marketing.

Next year Aeroflot would split its Moscow-Bangkok service into two routes—Bangkok-Dubai-Moscow and Bangkok Karachi-Tashkent-Moscow.

The airline, which operates four flights a week in Bangkok, would introduce a fifth flight in January. Two of the five flights from Moscow would fly from Bangkok to Hong Kong each week.

Four flights would use the 250-seat A-310 aircraft to fly from Bangkok to Dubai and Moscow, and the fifth would fly the original route linking Bangkok-Karachi-Tashkent-Moscow.

The Bangkok-Moscow via Dubai route was expected to greatly enhance Aeroflot's image because the A-310 aircraft would shorten flying time and offer better services.

The airline also hoped to win traffic rights to extend its Moscow-Bangkok-Hong Kong route to Taipei.

Aeroflot also planned to expand its operations to Australia and New Zealand, using Bangkok as its base of operation. But this was not expected to happen soon as the airline believed current economic conditions in the two countries were unfavourable.

"We will take every opportunity to expand our operations, but this depends on the air traffic rights. If we obtain the rights, we hope to operate not only from Moscow to Bangkok, but to use Bangkok as the aviation hub to the Far East, Australia, New Zealand and Europe," Mr Samojlov said.

## Businessmen Invited To Invest in SRV Ventures

*BK2910023591 Bangkok BANGKOK POST in English 29 Oct 91 p 26*

[Text] The Vietnamese Government has invited Thai businessmen to invest in Vietnam's agro-industry, labour-intensive, export manufacturing and tourism sectors.

Thai businessmen representing the Federation of Thai Industries, Thai Chamber of Commerce and Thai Bankers' Association were told of Vietnam's invitation during a meeting yesterday at the Regent Bangkok Hotel.

Many of the businessmen said the meeting was very useful for their future investment plans, particularly the information obtained directly from high-ranking Vietnamese officials, including Prime Minister Vo Van Kiet and Trade and Tourism Minister Le Van Triet.

Mr Kiet said his country's policy was to create cooperation and mutual benefits between Thailand and Vietnam and to promote peace and stability in the region.

While wishing to strengthen business relations with Thailand, Mr Kiet said Vietnam was in the process of adjusting local laws and regulations to accommodate foreign investment.

An agreement on the protection of Thai investment in Vietnam was signed yesterday between the two governments and considered a milestone for future close business relations. Discussions on various issues will be organised within its framework.

The Vietnamese Government hopes to widen the area of investment in Vietnam for foreign investors and to improve its trade and investment systems to boost confidence and make things more comfortable for foreign investors.

Vietnamese plans include the amendment of a law to let foreign investors rent land for business for 30-50 years.

"We welcome foreign investment and give priority to investors from neighbouring countries and those which already have big investments in our country," he said.

Among recommended business opportunities in Vietnam are the mining of ore and gems.

Vietnam is still rich in natural resources but lacks experience in operating this type of business, so the government has called for interested parties to operate mining activities and set up factories there.

"We have coloured stones which are prohibited for export, but Thai companies may invest in our country to operate gems and jewellery businesses," he said.

Vietnam's inability to make finished jewellery products has resulted in the illegal trade of coloured stones with foreign buyers.

Regarding Vietnam's cheap sales of rice on the world market, the country's officials said the matter was an internal problem created by buyers who had pressured Vietnam to sell at very low prices.

"We have no intention to cut prices and hurt Thai exports. This is all because we have just entered the business of rice trading and we have a limited number of buyers," Mr Triet said.

He suggested that the rice exporters' associations of the. two countries work closely together, with activities including the exchange of pricing and market information.

Mr Triet has reportedly asked the Tourism Authority of Thailand [TAT] to encourage Thai businessmen to invest in tourism-related businesses in Vietnam, particularly the construction of accommodation.

He invited TAT governor Thamnun Prachuapmoh for a meeting in Chiang Mai today to discuss tourism cooperation, but the meeting was cancelled on the recommendation of the Thai Foreign Affairs Ministry.

Tourism organisations of both countries will meet in Bangkok today for the discussion.

Mr Thamnun said both sides agreed in principle several months ago on full-scale cooperation in tourism promotion and development, including the launch of tour programmes combining the two countries in a package.

### Agro-Industrial Firm To Invest

*BK3010011991 Bangkok THE NATION in English 30 Oct 91 p B1*

[Text] Charoen Pokkhaphan Group (CP), the country's largest agro-industrial concern, has said it is ready to make massive investments in commodity plantation, animal feed production, food processing and shrimp farms in Vietnam.

Thanin Chiarawanon, CP president, proposed to Vietnamese Prime Minister Vo Van Kiet during their meeting yesteday that the group is interested in setting up wholly-owned subsidiaries in Vietnam to invest in maize plantation, shrimp farming, food processing and slaughter houses.

Two investment survey teams will be sent next month to Hanoi to assess the current trade and investment conditions there, he added.

According to Chingchai Lohawatthanakun, who oversees the group's investment in marine products, the two teams will explore investment conditions in animal feed and marine feed production, two areas on the group's current priority list.

Kiet met Thanin and senior CP executives yesterday morning at the group's headquarers on Silom Road.

He was later accompanied by Thanin to one of CP's animal feed plants in Samut Sakhon. Kiet invited the group to invest in Vietnam, assuring them of favourable investment conditions.

The CP group donated 10 tonnes of high-yield maize seeds developed in its labs to Vietnam for experimental cultivation. The strain's yield per rai is about 1,500 tonnes, three times higher than the strains cultivated in Vietnam.

Thanin said in four months the crop will stand as testimony to the group's earnestness to invest in Vietnam.

Maize, a crucial ingredient of animal feed, is one commodity the group wants to promote there.

Details of the group's investment plans will be formulated after the two missions report their findings, added Chingchai.

Thanin expressed hope that the Thai and Vietnamese governments will offer handsome assistance and generous investment promotion packages to the group.

According to Thanin, shrimp farming and food processing are two extremely interesting areas for investment, given that Vietnam currently supplies four per cent of the world's black tiger prawns.

Local producers fetch low prices, simply they are without processing facilities and expertise.

Thanin discounted suggestion that CP investment in Vietnam will transform the almost non-existent agroindustrial sector there and prepare it for competition with Thailand in international markets.

"Don't believe that there is only one CP in the world. If we don't go, others will, particularly in shrimp farming," Thanin responded. Area-wise, Indonesia is currently the largest shrimp producer, followed by Vietnam, Burma and Thailand, he added.

The CP chief was extremely confident of the investment prospect there, saying that nationalization will not recur in Vietnam.

A CP fishmeal plant was nationalized 20 years after the Vietnam War.

CP currently maintains only a small trading office, Evershine Co. in Vietnam to trade commodities and farm products with their countries, according to a source.

Thanin also recommended to Kiet to relax investment conditions in banking and finance, so as to provide funding for foreign and local investment.

He declined comment on whether the group is interested to invest in financial businesses there. But he smiled.

According to the Vietnmaese State Committee for Cooperation and Investment, Thailand, as of June 1991, is the 13th largest investor in Vietnam, with 18 projects involving a combined investment of US$36.8 million.

Taiwan, Australia and France are the three largest investors there with investments respectively of US$439 million, US$278 million, and US$272 million.

## SRV Gas Cooperation Reported

*BK3110075891 Bangkok Radio Thailand Network in Thai 0530 GMT 31 Oct 91*

[Text] Industry Minister Sippanon Ketuthat reported on the agreement reached by Thailand and Vietnam to cooperate in natural gas development in Vietnam and delivery of the product for use in Thailand.

Sippanon said that the Thai Government, represented by the Petroleum Authority of Thailand [PTT] and the PTT Exploration and Production [PTTEP] Co. Ltd., have agreed to cooperate with Vietnam in transfering technology to Vietnam and in developing natural gas in Vietnam. The Vietnamese Government has agreed to give Thailand priority in buying natural gas from Vietnam provided that its gas supply is sufficient for local consumption.

The industry minister said that Vietnam is rich in natural gas resources but it still needs a considerable period to develop the particular natural resource for consumption. It is very likely that Thailand will co-invest with Vietnam in establishing a small gas separation plant near Saigon. An amount of cooking gas produced from the plant is expected to be available for use in Thailand.

On the question of laying a pipeline for delivery of gas from Vietnam to Thailand, the industry minister said that a survey on amount of gas available will have to be conducted first. The amount needed to make it worthwhile for Thailand to establish a pipeline system should be about 200 to 300 million cubic feet. According to survey data received, each source would yield only about 75 million cubic feet of natural gas, which would suit for small gas separation plant.

## Foreign Investment in SRV Viewed

*BK0111051191 Bangkok THE NATION in English 1 Nov 91 p B10*

[Article by Aphisak Dhanasetthakon: "Why Fishing Deal With VN (Vietnam) Fell Through"]

[Text] When Vietnamese Prime Minister Vo Van Kiet came to Bangkok earlier this week to hail a new era of Thai-Vietnamese relations, Thais officials tried hard to put the hastily drawn up draft joint fishing accord for official endorsement.

But it wasn't to be as the issue surrounding the overlapping area claimed by both Thailand and Vietnam off the Gulf of Thailand proved to be the main stumbling block.

Both countries, nevertheless, will return to the negotiating table within the first three months of next year to try and reach an agreement and to lay down the framework to, perhaps, proceed to utilize the overlapping area using the Thai-Malay joint development area in the southern part of the Gulf of Thailand.

Both sides can then expect to set the boundary of the territory under dispute and divide up the boundary which has no claim from a third country. Both will have to reaffirm that they have not awarded natural resource concessions inside the disputed area. They will have to pledge that no concessions will be awarded inside the area until there is agreement on the joint development area.

The draft joint fishing agreement was finalized just before the visit of Vo Van Kiet to Bangkok from Oct 27 to 30. The Thai side then reacted coolly to the Vietnamese proposal that the fish caught under cooperation between the two countries should be processed only in Vietnam.

The Vietnamese also wanted the Thai government to promsie that Thai vessels and Thai fishermen would not encroach upon Vietnamese waters, but the Thai govenrment could not make the promise since it is difficult for the latter to control 20,000-30,000 Thai fishing boats.

But the Thai authorities have pledged to do their best to prevent the illegal fishing inside Vietnamese territory. A committee has already been set up at the national level to control the vessels.

The accord did not materialize during Vo Van Kiet's visit although cooperation agreements were reached on natural gas development, investment protection and a joint communique.

It is expected that the agreement on the joint development area would have to be reached first before both sides can reach agreement on the joint fishery proposal.

Quite a few Thai companies are now investing in Vietnam, including Thai International Co, Evershine Co (part of the CP Group), Trana Commercial Co (sanitary napkin), JV Management Co (pineapple), Indochina Innovation Co (tiger prawn), Surat Canning Co (seafood), Siam Cement Thai Co (trading), Thai Photchana Food Cannery Co (feed-mill), Berli Jucker Co (glass bottle), Sirichai Fishery Co and Thai Military Bank.

The bulk of the foreign investment in Vietnam is still in petroleum exploration and production. The major oil companies include Totral, BP, BHP, Exxon and Mobil Oil.

Vietnam has an external debit of US$14 billion. Its economy grew three per cent last year while inflation was growing at seven per cent a month. The unemployment rate is 20 per cent. The per capita income is US$200.

**Joint Venture Investment in Vietnam (As of June 6, 1991)**

| Country | No of projects | Total Capital (mnUS$) | % of total investment |
|---|---|---|---|
| Taiwan | 32 | 439 | 21 |
| Australia | 16 | 278 | 13.3 |
| France | 25 | 272 | 13.3 |
| Hong Kong | 68 | 230 | 11 |
| Britain | 8 | 144 | 6.9 |
| Holland | 3 | 124 | 5.9 |
| Soviet Union | 23 | 115 | 5.5 |
| Canada | 10 | 112 | 5.3 |
| Japan | 18 | 99 | 4.7 |
| Sweden | 3 | 54 | 2.6 |
| Korea | 7 | 54 | 2.6 |
| Belgium | 3 | 25.5 | 1.2 |
| Thailand | 18 | 36 | 1.7 |
| Indonesia | 4 | 13 | 0.6 |
| Total | 273 | 2,093 | 100 |

## Tourism Authority, SRV Venture

*BK3010031591 Bangkok BANGKOK POST in English 30 Oct 91 pp 17-26*

[Text] The Tourism Authority of Thailand (TAT) and Vietnam Tourism will jointly establish a working group to set up a tourism development proposal for the two countries.

TAT Governor Thammanun Prachuapmo said the working group also would be responsible for long-term tourism development projects and for marketing tourism development in the two countries.

The working group was expected to establish a committee, which would be under the Joint Economic Committee of the two countries, he said.

Vietnam Tourism general director Nguyen Xuan Quang, who met Mr Thammanun yesterday, said the Vietnamese Government needed to join the TAT in the development of tour packages, transport and hotel investment.

The talks followed an agreement between Thailand and Vietnam during a visit last month by Vietnamese Trade Minister Le Van Triet.

Mr Thammanun said the Vietnamese representative also urged the Thai Government to develop Mukdahan as an international tourism destination to comply with plans to create a tour package between Thailand, Laos and Vietnam.

"But we will have to talk with Laos' deputy minister for tourism later," he said.

Mr Thammanun said he also would seek Vietnamese cooperation to connect Thailand, Vietnam, Laos and Cambodia as one tourist destination.

He said Vietnam needed Thai investors to set up hotels there because the country was short of accommodation for foreign tourists.

## Academics Said Increasing Cooperation With SRV

*BK0111033191 Bangkok BANGKOK POST in English 1 Nov 91 p 3*

[Text] Thai and Vietnamese academics have agreed to form a commission to coordinate academic cooperation between their countries, prominent political scientist Professor Chai-Anan Samutwanit said yesterday.

The joint bilateral Commission for Coordination of Academic Cooperation between Vietnam and Thailand is the result of a project for academic exchange and cooperation between the Social Science Association of Thailand (SSAT) and the National Centre for Social Sciences of Vietnam (NCSS), Dr Chai-Anan said.

Dr Chai-Anan, director of the SSAT's Institute of Public Policy Studies, signed a memorandum of understanding between the SSAT and the NCSS in Hanoi last week to set up the commission.

The task of the joint commission, with each side to be represented by five members, is as follows:

—To work out the planning and programmes for academic cooperation for 1992-1994.
—To realise cooperation programme.
—To regularly inform each other of activities related to academic cooperation between the two institutions.
—To arrange scientific seminars.
—To arrange two meetings for commission members to consult on cooperation programmes, either in Vietnam or Thailand.

The first meeting will be held in Thailand in June 1992. It will discuss the holding of scientific seminars related to cooperation.

In the first year, expenses for holding meetings of the joint commission will be taken care of by the Thai side.

## Bangkok, SRV, Laos Consider Area Think Tank

*BK2910010591 Bangkok BANGKOK POST in English 29 Oct 91 p 3*

[Text] Planning is under way for Vietnam and Laos to join Thailand in discussions on "Constitutionalism and Economic Development" that effectively open a new chapter in co-operation among regional think tanks.

Leading Thai political scientist Chai-anan Samutwanit said yesterday it is hoped that Cambodia will also join the discussions that among other things will deal with problems facing the Indochinese states as they move from centrally-planned to market economies.

The discussions will take place as Laos and Vietnam put into practice new or newly-amended constitutions and Cambodia makes a new beginning, he said.

The director of International Public Policy Studies (IPPS) at Chulalongkon University, Dr Chai-anan said that academics, high-ranking government officials, national assembly members and businessmen will join the seminars.

The plans call for Thai-Lao meeting in December followed by a regional seminar between Thailand, Laos and Vietnam in February, which it is hoped will be held in the ancient Laotian capital of Luang Prabang, he said.

Dr Chai-anan, who has just returned from three days of talks in Vietnam after a separate visit to Laos in September, said there are tentative plans to raise the matter with Cambodians in January now that a peace agreement has been signed.

The idea is to set up a joint regional committee with three members from each participating country.

In Vietnam, Dr Chai-anan met the directors of 18 institutes—including the renowned think tank known as the Central Institute of Economic Management—as part of preparations for the seminars.

In Laos, he met Minister of Economic Planning and Finance Khamphoui Keobualapha as well as senior officials and members of the national assembly.

The seminars will be co-financed by the Social Science Association of Thailand, the Asia Foundation and the Conrad Adenauer Foundation.

## 10 Million Baht Aid for Laos Approved

*BK2810115991 Bangkok Voice of Free Asia in Thai 1030 GMT 28 Oct 91*

[Text] According to a report from the Foreign Ministry's Information Department, on 22 October Prime Minister Anan Panyarachun approved 10 million baht in aid for the Lao People's Democratic Republic which was suffering from flood and drought. Initially, the deputy foreign minister will head a Thai delegation comprising Foreign Ministry, Commerce Ministry, National Security Council, Interior Ministry, Defense Ministry, and the Thai Red Cross officials to deliver 500 tonnes of rice worth about five million baht as immediate aid to the LPDR on 31 October.

According to the Information Department, the Lao Government appealed for international assistance, especially for rice due to the expected shortage from October to mid-1992. The Thai Embassy in Vientiane also reported that Laos wanted long-term assistance in farm tools, fertilizer, insecticide, rice seeds, road repair and irrigation systems, and post-flood restoration of farmland. Khammouane, Savannakhet, and Champassak are the most affected provinces. The Foreign Ministry will be bringing up other assistance proposals to the committee concerned for approval. The Information Department also noted that the prime minister will deliver the remaining five million baht worth of aid when he presides over the ceremony to mark the opening of the Thai-Lao- Australia Friendship Bridge on 24 November in Nong Khai Province.

## Deputy Foreign Minister Delivers Aid to Laos

*BK3110133391 Bangkok Radio Thailand Network in Thai 1200 GMT 31 Oct 91*

[Text] Deputy Foreign Minister Wichian Watthanakhun spoke to reporters this afternoon after returning from Laos to deliver aid materials. He said the aid materials, which included 500 tons of rice, were intended to relieve flood and drought damage which affected one-third of that country. Eight tons of rice were delivered today, delivery of the remainder will be made on 14 November. The aid in the form of seeds, fertilizer, and farming implements will be delivered at a function on 24 November, when the prime minister will hand it over to his Lao counterpart following a ceremony inaugurating the construction of the bridge across the Mekong River in Nong Khai Province.

The deputy foreign minister said the Lao side thanked Thailand for the aid he delivered today. Laos did not ask for additional assistance, he added.

Wichian said there have not been discussions with Laos concerning Lao refugees in Thailand, but he sensed that Laos was satisfied with the Thai handling of the refugees. Thailand—the National Security Council—is considering citizenship for children of Lao refugees.

Wichian noted that the Australian Government is providing a financial grant for the construction of the bridge across the Mekong River, while Thailand and Laos will jointly share the maintenance responsibility on their respective sides. The bridge will be called: The Thai-Lao Friendship Bridge, Upper Section.

### 'No Spillover' of Fighting on Cambodian Border

*BK0111143291 Bangkok Army Television Channel 5 in Thai 1230 GMT 1 Nov 91*

[Text] First Army Commander Lieutenant General Phaibun Hongsinlak said the situation along the Cambodian border is normal and that there is no spillover of fighting during this period. This is due to the fact that the situation in Cambodia had improved.

Regarding the foreign minister and his delegation's upcoming official visit to Cambodia on 14 November, he believed the visit will take place smoothly. He also said that he has not received any report on weapons smuggling into the border area as they had adopted strict control measures.

### Korea Air To Increase Bangkok-Seoul Flights

*BK2810053691 Bangkok SIAM RAT in Thai 28 Oct 91 p 10*

[Excerpt] Mr. Kim K. Hon, regional manager of the Korea Air Co. Ltd., stationed in Thailand, disclosed that, due to the current rapid economic expansion in Thailand, the number of foreign tourists visiting the country and foreign businessmen coming to invest in Thailand has been increasing, particularly those from Korea.

According to a survey conducted by the Tourism Authority of Thailand, a total of 74,107 Korean tourists visited Thailand in the first half of this year, representing an increase of 12 percent when compared to the same period of last year.

Mr. Kim said that in order to meet with the increasing demand of Korean tourists coming to Thailand, Korea Air has therefore decided to increase its flights between Bangkok to Seoul—Flight KE 638—from once a week on Monday to three flights a week every Monday, Wednesday, and Friday, as of 27 October 1991. [passage omitted]

### Anan Dismisses Cabinet Reshuffle, Resignation

*BK0111030691 Bangkok Radio Thailand Network in Thai 0000 GMT 1 Nov 91*

[Text] Yesterday evening, Prime Minister Anan Panyarachun confirmed to reporters that there will be no cabinet reshuffle and the prime minister will not resign from the post either.

The prime minister also dismissed reports that the justice minister would resign from his post, describing such reports as inaccurate.

On the current controversy involving the Judicial Commission's decision, he said that when the time is ripe the prime minister will have to make a final decision to solve the problem with a sense of responsibility. He said he would work out the matter shortly.

Responding to the assertion that foreign investment in Thailand has decreased by 5.9 percent because the Government has paid too much attention to its own stability, the prime minister replied that a number of oil-producing firms will soon invest about 100,000 million baht into the establishment of new oil refineries in Thailand. So, the prime minister asked, how could they say that foreign investment is fading?

### Suchinda To Quit Military Before Retirement

*BK2710023591 Bangkok THE NATION in English 27 Oct 91 p A2*

[By Mukdawan Sakbun]

[Text] Army Commander in Chief Gen Suchinda Khraphrayun predicted yesterday the armed forces would be trimmed in future when Thailand and neighbouring countries begin cooperation more on economic development.

Delivering a speech before a group of village scouts at the Border Patrol Police headquarters, Gen Suchinda said it is likely that Thailand would seek more economic cooperation with Indochinese countries and Malaysia just like what is taking place in European countries.

"With more economic cooperation, the size of the armed forces would naturally be wound down," said Suchinda. "If the armed forces are too big, it would lead to economic waste."

The general said the world's direction has changed from military confrontation to economic development.

Earlier, deputy army chief Gen Itsaraphong Nunphakdi, in reference to Prime Minister Anan Panyarachun's speech at the World Bank/IMF Conference in calling for developing countries to cut defence spending, said the defence budget might seem insignificant at present, but may be necessary in the future.

Gen Suchinda said the number of the Communist Party of Thailand's (CPT) guerrillas had also declined. However, he said the party's troops still existed. About 5 to 6 per cent of the communists are still armed, he added.

The general said so long as Thai authorities could not arrest the secretary general of the CPT, no one could be sure that the party had collapsed. He said even the armed forces' intelligence agencies did not know the party leader's name and his whereabouts.

The army chief said communists can turn themselves in to police. He added it would be unacceptable for those who want to surrender to set conditions.

Suchinda said a senior communist member in Beijing, China had recently contacted the Thai authorities, saying he wanted to surrender on condition that the Thai Government arranged a welcoming ceremony for him.

"I don't think they (CPT members) are honourable at all," said Suchinda.

He said some criminals who had taken to the forest to escape police arest used to surrender to police, claiming that they were communists.

Suchinda told the village scouts to preserve democratic ideologies, saying there were still some Thais who believed in socialism.

Gen Suchinda said yesterday he would not stay in office until his retirement.

However, Gen Suchinda, who is also Supreme Commander, did not say exactly when he would quit his two top military posts. He added that if he specified an exact date, it would be irritating as people would start insisting on it as the date approached.

Gen Suchinda is scheduled to retire on Sept 30, 1993.

Suchinda said he was surprised why many people said he would be the next prime minsiter after his retirement. "Why don't people think that I may take part in other activities," said Suchinda.

## Suchinda's, Chawalit's Political Plans Viewed

*BK3110003591 Bangkok THE NATION in English 31 Oct 91 p A10*

[Editorial: "Why Has Gen Suchinda Become Impatient Lately?"]

[Text] Something seems to have been bothering Army Commander Gen Suchinda Khraprayun lately. But neither he nor anyone else seems to have any idea what that something could be.

Gen Suchinda insists he likes to smooth things over and resolve conflicts with compromises. He and his military colleagues on the National Peacekeeping Council [NPKC] have agreed to give all the corrupt politicians a chance to appeal for "justice" in the courts if the antigraft Sit committee found them guilty of amassing wealth illegally and confiscated their assets. A draft bill to authorize the appeal is due for formal consideration in the National Assembly today. This change of heart in the NPKC, though inspired chiefly by NPKC Chairman Gen Sunthon Khongsomphong and Deputy NPKC Chairman ACM [Air Chief Marshal] Kaset Rotchananin, couldn't have been possible without the approval of Gen Suchinda, who is also NPKC deputy chairman and supreme commander.

Gen Suchinda also believes he "has no enemies" though he led the military to overthrow the civilian administration of Gen Chatchai Chunhawan. Now Chatchai and his followers in the Chat Thai Party seem to have no grudges against Gen Suchinda any longer. In fact, Chat Thai, which won the largest number of seats in the last general election, has teamed up with the pro-NPKC Sammakhi Tham Party in a plan to nominate Gen Suchina for the premiership after the next general election.

Incidentally, Chatchai and six other senior Chat Thai executives couldn't afford to offend anyone at this time because they are among the 13 singled out by the Sit committee as being "unusually wealthy" during the three years of the Chatchai administration. Chatchai even stepped down as Chat Thai leader and welcomed ACM Sombun Rahong, a close associate of Air Force Commander ACM Kaset, to be leader of the party.

However, not all politicians were delighted by this reconciliation between Chat Thai and the NPKC. New Aspiration Party [NAP] leader Gen Chawalit Yongchaiyut, for one, is obviously unhappy. His party prefers seeing the Sit committee's ruling on the 13 (expected in November) as final, rather giving those whose assets were confiscated another chance to appeal in the courts. While their appeals are pending in courts, those veteran politicians whom the Sit committee found to have amassed wealth illegally will still be able to stand in the next general election.

Moreover the Chat Thai-Sammakhi Tham alliance also poses a strong challenge to Chawalit's NAP and, more importantly, has a high potential to upset Chawalit's ambitious plan to be the next prime minister. Former MPs and veteran politicians from smaller parties who are considering switching parties now prefere Sammakhi Tham to NAP.

Gen Suchinda says he has no quarrel with Chawalit, who was his predecessor in both the Army and the Supreme Command. Yet he has "no free time" for a get-together with Chawalit which NPKC Chairman Sunthon has tried unsuccessfully to arrange. He continues to maintain that he views Chawalit as a political party leader; whatever Chawalit says has a political purpose, like endearing himself to the public and boosting the image of his party.

Gen Suchinda says NAP finds the NPKC a convenient sparring partner while waiting for the general election and will take on new rivals when the election campaign begins. But this "sparring partner" does hit back from time to time. After Chawalit warned last week that the NPKC could be toppled if it became careless, ACM Kaset quickly responded by threatening "measures" against anyone attacking the NPKC illegally. When NAP's coordinator Wira Musikaphong likened as "thieves" members on the committee reviewing the draft constitution who were hand-picked by the NPKC, he was charged with libel in 25 separate complaints filed with ther police by all the 25 members on the committee.

On the question of being the next prime minister Gen Suchinda has intentionally remained non-committal. He would neither confirm nor deny the persistent speculation of him leading a Chat Thai-Sammakhi Tham-led coalition government after the next election. But by not objecting to the use of his name in the campaign plans of both Chat Thai and Sammakhi Tham, he practically is betting on this alliance to win enough seats to nominate him the next prime minister.

ACM Sombun, who has been "elected" as Chat Thai leader, says he will have to consult with Gen Suchinda before making a final decision on whether to head the party or not.

ACM Sombun's courtesy is merely a formality. So everything seems set for the Chat Thai-Sammakhi Tham alliance to start an offensive and overtake Chawalit's NAP, the front runner.

Chawalit, not Gen Suchinda, should be the one who is testy. Maybe Chawalit can tell us why Gen Suchinda is still unhappy.

## Military-Backed Party Starts Northeast Campaign

*BK3010015991 Bangkok BANGKOK POST in English 30 oct 91 p 1*

[Text] Surin—The military-backed Samakkhi Tham Party [STP] yesterday kicked off its campaign in the Northeast with a rally in Muang District, where party speakers promised that Gen Suchinda Khraprayun would be prime minister of an STP-dominated government after the election.

STP secretary-general Thiti Nakhonthap told about 1,500 people at the rally that they should vote for his party since the Army chief will bring progress to the Northeast.

Former Kalasin MP Aphichat Halamchak said that having a non-MP as prime minister is like having a gold bracelet with 90 percent gold. A bracelet of 100 percent gold would not last as long, he said.

Apichat, who has in the past been a defender of democracy, said that the military would be the remaining 10 percent to strengthen democracy.

"A prime minister that is not an MP will be good for democracy and help to shore up the system," he said.

He also called on the people to support STP because Gen Suchinda grew up in the Northeast and would bring progress to the region if he was made prime minister.

The rally came a weekend after New Aspiration leader Gen Chawalit Yongchaiyut came to campaign in Surin. The province is a stronghold for New Aspiration and the STP is hoping to take that away from their main rival.

On Monday night, STP members held an internal seminar and former deputy House speaker Mai Sirinawakun said that he at first hated the military after the February 23 coup. However, now he must thank the National Peace-keeping Council for seizing power because it has been responsible for uniting all former MPs for the Northeast under the STP umbrella.

This unity of former MPs for the region was unheard of and is sure to bring progress to the region, he said.

He also attacked the Democrat Party for raising the dictatorship issue, saying that the party has never fought a dictatorship. Samakkhi Tham can prevent coups because it would coordinate the interests of the political branch and the military.

Former Chat Thai MP for Chachoengsao Suchat Tancharoen, who is now with STP, said he was sure the draft charter would be amended to a party slate electoral system. This would strengthen the political party system.

Former Sakon Nakhon MP Siphanom Pichitworasan said that he has defected from New Aspiration to join STP because he couldn't stand the feudal system there dominated by former civil servants who are close aides of Gen Chawalit and act like lords.

He said that he respects Gen Chawalit but that he was being misled by his aides.

The STP later yesterday hosted a party at Tharind Hotel in Muang District here attended by some 900 party supporters.

Former deputy public health minister Wirawon Sitthitham assured the gathering that the STP would definitely be the core of the coalition after the elections.

A former Chat Thai Party member, Wirawon said that he had decided to switch to the STP after the leaders of the latter party gave him assurances that it would be the core of the next coalition.

Former well-known politician Khaisaeng Suksai has also decided to join the STP and would contest in the next general election under its banner.

Also present at the STP party last night was Pol Maj-Gen Wutthi Sukoson, deputy commissioner of the Second Region Provincial Police, who announced his plan to quit the police force to contest the election under STP.

## Evolving General Election Scenario Discussed

*BK3110011091 Bangkok BANGKOK POST in English 31 Oct 91 p 4*

[Editorial: "Election Strategy Becoming Clear"]

[Text] Although the general election is more than five months away, it is becoming increasingly apparent that the odds for Thailand's next prime minister are greatly stacked in favour of Gen Suchinda Khraphrayun, currently supreme commander, army commander-in-chief and vice chairman of the National Peace-keeping Council, to name just a few of his positions. Unless there is a last-minute change of heart by the army chief, the casting of ballots by the electorate is unlikely to change a political course which appears to have been predetermined. Whether they like it or not, the voters seem destined to play the role of mere spectators.

Everything seems to be gradually falling into place for the making of the next prime minister. This is manifested by the way the draft Constitution is being amended by the Constitution Scrutiny Committee. For example, the retention of the senators' power to institute a no-confidence debate of the Government and the possible amendments to make the Senate Speaker instead of the House Speaker the President of the Parliament and the likely adoption of a party slate electoral system.

Of late, the major change in the leadeship of the Chat Thai Party which saw Airports Authority of Thailand governor ACM [Air Chief Marshal] Sombun Rahong taking over from Gen Chatchai Chunhawan and the introduction of a bill into Parliament to allow the 13 politicians found to be "unusually rich" by the Assets Examination Committee to appeal their cases to the court are being viewed as part of a grand political strategy to pave the way for the smooth passage to power of the future prime minister.

While Gen Suchinda has yet to openly admit any political ambitions, the military-backed Samakkhi Tham Party has gone all out to court the army chief. In its election campaign debut in the Northeast, the party urged voters to throw their weight behind it if they wanted Gen Suchinda to assume the next premiership. This is not totally surprising as the party was originally founded with the sole aim of promoting Gen Suchinda as the next prime minister rather than espousing the party system or democratic rule as is the case with most political parties.

For the electorate, a political campaign which places more emphasis on a personality cult rather than a proper party platform, as it should, constitutes a great disappointment. One cannot help but wonder whether the party which likes to boast of being the core party in the next admsinistration has, in fact, anything resembling a practical political platform which genuinely reflects the political aspirations of the people. In fact, one should not become too excited or unduly optimistic about a party which, although new, essentially seems to be little more than a gathering point for a club of well-worn politicians whose loyalty has frequently been seen in the past to veer towards the highest bidder.

For the public at large, there are far more important issues at stake. These include land encroachment, gainful employment, the environment and alleviation of poverty. These are matters which should have been addressed instead of perpetuating an obsesssion over a particular choice of prime minister who has expressed no desire to contest an election or serve in the premiership but appears to be simply waiting in the wings for a carriage to take him to Government House, if, at an opportune time, he should feel so inclined to pay an extended visit there.

## Power, Choice of Prime Minister Limits Viewed

*BK2810021291 Bangkok THE NATION in English 28 Oct 91 p A8*

[Editorial: "How Do You Make a Prime Minister Serve the Public Interest?"]

[Text] One of the hottest topics in contemporary political debate in Thailand is on whether or not to limit the choice of a prime minister to those elected politicians in the House of Representatives. Army Commander Gen Suchinda Khraprayun says a prime minister doesn't necessarily need to be an MP: whereas his predecessor in the army, Gen Chawalit Yongchaiyut, now leader of New Aspiration Party, insists that prime ministers must be elected MPs first.

If we take democracy to mean "rule or government by the people" both sides in the debate could be correct. A prime minister need not be an MP if he is endorsed by a majority in the House. On the other hand, those who want to choose a prime minister from the House membership believe that such a prime minister has "more legitimacy" because he or she had already been elected in a general election.

The difference between the two methods is merely in the degree of public participation in the selection of a new prime minister. But public participation is only the means of democracy. It is important but what is more important is the end of government, that is for whose interest the country is being governed.

Too much emphasis is being given to the means of democracy, so much so that the Chatchai administration was hailed as "the first elected civilian government in 12 years" when it took office in August 1989. However, it turned out to be one of the most corrupt governments in recent times. Twelve members of the Chatchai Cabinet, including deposed premier Gen Chatchai Chunhawan himself, are under investigation by the anti-graft Sit committee.

In retrospect, the 10 years of the Prem administrations prior to the Chatchai administration are now widely recognized as a crucial period of economic prudence that put Thailand on a solid economic foundation for growth and competition in the world market. But Gen Prem Tinsulanon was never an MP: he had no party and never ran in a general election. Yet he was accepted by the public as well as the House of Representatives. But after five administrations, he declined a half-hearted invitation of key political party leaders to lead another coalition government because he realized the party leaders did not really want him to stand in their way.

A five-timed MP from Nakhon Ratchasima, Chatchai proved that an MP didn't necessarily make a democratic prime minister—regardless of how hard his handlers tried to portray him as a populist. On the other hand Prem showed that a prime minister without a party of his own was vulnerable to treachery in the House, even though he enjoyed public trust and the respect of the military.

What Thailand needs is "something" to make or force a prime minister to serve the national interest regardless of who he is or where he is from. That "something" is in fact quite a tall order; it includes a democratic constitution, a more reliable and effective legal system, a free press, and a more politically active populace, to name just a few of the most important requisites of democracy.

Since we are going to hold a general election before the end of next April, we don't have time to "teach democracy" or "stop vote-buying", as the former will take years to bring some desirable results, and the latter will take forever, as vote-buying cannot be completely stamped out because it arises from the power relations in this country.

But we still have time to write a democratic constitution and improve most of the relevant laws to ensure a good, democratic government. There is still time to introduce new anti-corruption mechanisms or at least strengthen existing ones. The failure of the legal and anti-corruption systems was partly to blame for the rampant corruption in the Chatchai administration. So far neither the Anan administration nor the NPKC has done anything to add new, real teeth to the anti-corruption bodies.

Without that "something" mentioned above, a new prime minister, regardless of how he or she is chosen, will sooner or later degenerate into an autocrat who tries to stay in power for self-interest and abuse power to keep all opponents at bay. The present weak and ineffective legal and anti-corruption systems will make the degeneration both inevitable and uncontrollable.

## Firms 'Beginning To Match' NIC's Performance

*BK0111032991 Bangkok BANGKOK POST in English 1 Nov 91 p 17*

[Text] Thai businesses are beginning to match the performance of the newly industrialised countries [NIC] and Malaysia.

Siam Cement had the highest profits and sales in Thailand, according to a ranking of Asian (except Japanese) businesses last year by Toyo Keizai Inc, which appeared in the ASIA COMPANY HANDBOOK.

Bangkok Bank ranked among the most profitable, along with six other Thai banks.

Bangkok Bank's research department reported that in ranking the 200 most profitable firms and the 500 with the highest sales, companiess from only six Asian countries made the grade: the four NICs, Malaysia and Thailand.

Among the 200 most profitable were Singapore Airlines with a profit of $662 million, but Hong Kong companies were the most numerous at 63 or 31.5 percent, followed by Korea with 47 or 23.5 percent, Taiwan with 35 or 17.5 percent, Singapore and Malaysia with 20 each or 10 percent, and Thailand with 15 or 7.5 percent.

Hong Kong companies ranked from second to 15th, except the fourth slot which was filled by Taiwan's China Steel.

Of the 15 ranking Thai firms, Siam Cement came 17th with a profit of $183.9 million, followed by Bangkok Bank in the 18th plane with $183.3 million, only just below Siam Cement. The other six ranking Thai banks were Thai Farmers at 38th, Siam Commercial at 54th, Bank of Ayutthaya at 70th, Krung Thai at 110th, Thai Military at 129th and Industrial Finance Corp of Thailand at 172nd.

Another seven Thai companies also ranked: Siam City Cement at 77th, Phadaeng Industry at 78th, Charoen Phokkhaphan Feedmill at 161st, Thai Asahi Glass at 162nd, East Asiatic (Thailand) at 169th, Saha Union at 182nd and Phoenix Pulp & Paper at 188th.

Of the 500 companies with highest sales, 223 or 44.6 percent were Korean, 92 or 18.4 percent were from Hong Kong, 84 or 16.8 percent were Taiwanese, 45 or 9 percent were Malaysian, 34 or 6.8 percent were Singaporean and 22 or 4.4 percent were Thai.

Thai companies with highest sales numbered only half those of Malaysia. Korean companies accounted for the first 10 in rank, with Samsung in the lead, followed by Hyundai, Daewoo, Korea Electric Power, Po Hang Iron & Steel, Hydundai Motors, Samsung Electronics, Yukong, Lucky GoldStar and GoldStar.

The first ranking Korean company was Samsung Mul Saen with sales of $11.2 billion. The Hong Kong and Singapore leaders were both their airlines: Swire Pacific in the 11th place with sales of $4 billion and Singapore Airlines in the 16th place with $2.8 billion.

Taiwan's China Steele came 22nd with sales of $2.2 billion, Malaysia's Sime Darby 26th with $F1.8 billion, Thailand's Siam Cement 35th with $1.2 billion, followed by Saha Union at 117th. Last was Phatthara Thanakit in the 489th place with sales of $95 million.

## 'Acute' Shortage of Electronics Engineers Viewed

*BK0111032591 Bangkok THE NATION in English 1 Nov 91 p B3*

[Text] Prof Phairat Tachayaphong, the outstanding scientist for the year, has warned the Thai Government that the local electronic industry will end up as a consumer of high technology—a donee, if it does not take urgent steps to train engineers and scientists, visualise investor needs, and push its products seriously in the market.

He said the Thai electronics industry faces an acute shortage of research and development resources and engineers, the ratio of its engineers to the population being a dismal 1.4 to 10,000 compared with, for example, Taiwan or Korea with 13 to 10,000.

Prof Phairat, who is director of National Electronics and Computer Technology Centre (NECTEC), said his organization supports the industry with information on new technologies, gained from participating in high profile exhibitions such as Internepcon/Semiconductor Thailand '91. A technical conference on the theme, "Bridging the gap between the manufacturing process and higher technology," will be held from Dec 2 to 4, 1991, at the Department of Export Promotion, with Chackchai Phanitchaphat deputy secretary general of Board of Investment, and Phairat Tachayaphong as keynote speakers.

"Besides," Phairat said, "we are active as distributor, assembler, or manufacturer on the basis of production designs supplied by foreign companies. Although the production risk is small, it affects us in the long term because we are without development of technology and the skills that are essential."

Dr Phairat said, to solve the problems facing the industry, the Thai Government should accelerate production and training of engineers, and enhance research and development resources, especially professionals in educational institutes now taken away by the private sector.

# Vietnam

## U.S. Discloses Normalization Date for Relations

*BK0111061891 Hanoi Voice of Vietnam Network in Vietnamese 0500 GMT 1 Nov 91*

[Text] On 31 October, (Robert Cover), deputy secretary in charge of U.S. economic and agricultural affairs, disclosed that the United States had planned to restore diplomatic relations with Vietnam next year.

People believe that this is the first time a high-ranking U.S. official gave specific details about the date for the restoration of relations with Vietnam since last week when U.S. Secretary of State Baker announced in Paris that Washington was ready to start talks on normalization of relations with Vietnam.

## Vietnamese, U.S. Experts Meet Over MIA Issue

*BK0111150191 Hanoi Voice of Vietnam Network in Vietnamese 1430 GMT 1 Nov 91*

[Text] Vietnamese and U.S. experts met in Hanoi from 30 October to 1 November to discuss measures to implement the 2 October 1991 agreement between Foreign Minister Nguyen Manh Cam and the U.S. President's special envoy, General John Vessey, which aims to accelerate the settlement of the issue of Americans MIAs during the Vietnam war.

Both sides reviewed the results of the 14th joint search, highly assessed the cooperation of the administration and people of various localities, and agreed to the plan for the 15th joint search.

The meeting took place in an atmosphere of frankness with useful results. On the afternoon of 1 November 1991, the team of U.S. experts left Hanoi for home.

## Spokesman Denies Forced Repatriation for Refugees

*BK0111152591 Hanoi Voice of Vietnam Network in Vietnamese 1430 GMT 1 Nov 91*

[Text] Recently, there have been several reports saying that Vietnam and Great Britain have agreed to forcibly repatriate those who have not received refugee status in Hong Kong and that these people might be punished.

In answer to a request by the VIETNAM NEWS AGENCY to comment on these reports, on 1 November 1991 our Foreign Ministry spokesman said: The representatives of Vietnam, Great Britain, and Hong Kong with the participation of the UN High Commission for Refugees [UNHCR] have on several occasions exchanged views on the repatriation of illegal Vietnamese emigrants to Hong Kong who face no hope of being accepted by any third country.

Proceeding from its humanitarian policy toward illegal emigrants who are leading a miserable life on foreign territory, Vietnam agreed to authorize the return home of these people so that they may resume thier normal labor lives in their home country.

Vietnam together with Great Britain, Hong Kong, and the UNHCR have understood that this issue is part of an overall CPA [expansion unknown] program which must be carried out on the basis of respect for human dignity and in an orderly and safe manner as well as with the necessary financial assistance of various international organizations.

As yet and henceforth, all those who return have not been and will not be punished even though their departure was illegal. On the contrary, they will be assisted in promptly rejoining life in their home country. All assumptions and stances, including the allegation that Vietnam accepts forcible repatriation, are untrue.

## Australian Envoy Interviewed on Aid Resumption

*BK0111102391 Hanoi Voice of Vietnam Network in Vietnamese 0015 GMT 27 Oct 91*

["Report" on an interview with Australian Ambassador Michael John Potts concerning "Australia's recent decision to resume direct aid for Vietnam"; date and place not given—questions read by announcer; Potts' recorded remarks in English fading into Vietnamese translation by announcer]

[Summary] [Announcer] Dear sir, could you tell us of the motive behind the Australian Government's recent decision to resume its development aid for Vietnam?

[Potts] "On 9 October, our two ministers—namely the minister of foreign affairs and trade and the minister of trade and overseas development—announced the restoration of direct aid for Vietnam. This, from my perspective, reflects changes in the world arena and in the region, especially in Cambodia. This also reflects Vietnam's active role in pressing for the settlement of the Cambodian issue, about which an agreement has been signed in Paris. Therefore, Australia's policy toward Vietnam must also reflect these achievements."

[Announcer] Could you tell us of the follow-up steps of this decision?

[Potts] "The first step was the visit to Vietnam of an Australian delegation of the Aid for International Development Agency, which arrived in Hanoi on 23 October 1991 and which will report its activities to Australian leaders. This will be followed by a visit to Vietnam, scheduled for November this year, by Australia's minister of trade and overseas development. It is because of Australia's ardent desire to resume its unilaterally direct aid for Vietnam that the above visit will take place this early."

[Announcer] Although earlier there was no direct aid, many nongovernmental Australian organizations gave aid to Vietnam in various fields. How would you assess the results of such activities?

[Potts] "You are right. In the past, although we did not have direct aid, our indirect aid was undertaken constantly through various nongovernmental organizations and through various UN organizations such as the UNICEF. I think that the Australian Government is satisfied with these programs. A number of other programs dealing with public health and education will continue to be carried out."

[Announcer] Do you see any obstacles in the way of relations between Australia and Vietnam?

[Potts] "No, I think that economic and political relations have been handled without remarkable obstacles. Of course, Australian investors have met some procedural difficulties in Vietnam, but this is commonplace for Australia when it comes to investing in other countries. Therefore, I can say that everything is going on smoothly."

[Announcer] As you are a newcomer in Vietnam, do you have any assessment of the country?

[Potts] "You are correct. I might be new in Vietnam and I have not seen much of the country, but I visited Vietnam 12 or 13 years ago, and I have seen many changes in Hanoi since that time. Obviously, these changes have been the fruits of the renovation. I am very happy to note that the quality of commodities have improved and economic growth has just begun. I hope that during my stay here in Vietnam, Australia will help Vietnam accelerate this process."

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## 'Sources' Say Economics To Dominate PRC Visit

*BK3110104691 Hong Kong AFP in English 1016 GMT 31 Oct 91*

[by Andrew Sherry]

[Text] Hanoi, Oct 31 (AFP)—Ideology will take a back seat to economics when Vietnam's top leaders travel to China next week to seal the normalization of ties between the two communist neighbors, Vietnamese sources said Thursday.

Communist Party General Secretary Do Muoi and Premier Vo Van Kiet will lead a high-ranking Vietnamese delegation to Beijing November 5-9. Hanoi announced the visit will mark the complete normalization of relations between the two countries—including their communist parties, according to an authoritative Vietnamese source.

But at China's insistence, official statements will spotlight the normalization of state-to-state ties between the two governments and will remain silent on party relations, sources said.

"For the moment, the Chinese don't want to appear too communist," said the authoritative source. "They don't want to give the impression that this is an ideological alliance."

Specifically, China has asked Vietnam to list the members of its delegation by their government titles and not by their communist party posts, another Vietnamese source said. Only delegates who do not hold government posts will carry their party titles.

The two sides are also expected to sign agreements on the development of trade, communications and transport links, the sources added. Chinese experts were still in Hanoi hammering out details of the trade accord Thursday.

China, Vietnam, North Korea and Cuba are the world's only remaining hard-line socialist countries following the collapse of communism in Eastern Europe.

But China, which is eager to improve ties with noncommunist Southeast Asia and which is enjoying its increasingly global role as a permanent member of the U.N. Security Council, does not want to draw attention to its socialist orientation, the sources said.

Like China, Vietnam is lobbying to expand its economic ties with its non-communist neighbors. But at the same time, Hanoi's hardline leaders would like to find an ideological ally in China, the sources said.

Muoi and Kiet are expected to head a delegation of about 20 officials including Foreign Minister Nguyen Manh Cam, who boosted the normalization process in September by making the first high-level official Vietnamese visit to Beijing in 13 years.

Relations between the two countries have been frozen since China raided northern Vietnam in February 1979 in retaliation for Vietnam's invasion of Cambodia seven weeks earlier.

Vietnam stepped up its efforts to mend fences with China this year after aid and concessionary trade from the former Eastern Bloc dried up.

Their rapprochement has been reflected in the Cambodian peace process, which led last week to the signing in Paris of a peace agreement by the Vietnamese-installed Phnom Penh government and the resistance factions, including the powerful Chinese-backed Khmer Rouge.

China and Vietnam have yet to settle several contentious issues, however, including delineation of their common border, competing claims of sovereignty over the Spratley and Paracel islands, the fate of ethnic Chinese who fled Vietnam in the late 1970s and Vietnam's debt to China for wartime aid.

## Vo Van Kiet Continues ASEAN Nations Tour

### Meets Singapore's Prime Minister

*BK0111073591 Hanoi Voice of Vietnam Network in Vietnamese 0500 GMT 1 Nov 91*

[Text] According to Singapore sources, Singapore Prime Minister Goh Chok Tong and his wife held a grand banquet at the presidential palace last night, 31 October, in honor of Council of Ministers Chairman Vo Van Kiet and his wife and other members of the Vietnamese Government delegation.

After Prime Minister Goh Chok Tong's meeting with Chairman Vo Van Kiet, he held a one-hour talk with the Vietnamese delegation at the Istana [presidential palace] in Singapore on 31 October. Prime Minister Goh Chok Tong said: There are no more obstacles in the path toward better relations with Vietnam.

A Singapore Foreign Ministry spokesman quoted Prime Minister Goh Chok Tong as saying that the Singapore Government will soon lift its economic embargo against Vietnam and that it will reconsider its policies toward Vietnam. The prime minister also said: The Cambodian issue has been the only obstacle standing in the way of the two counries. With the signing of the Cambodian peace agreement nine days ago, there are no more obstacles in the way of forging better relations between the two countries. He added: The Singapore government is reconsidering its policies of doing business with Vietnam. If both sides can promptly sign a civil aviation agreement, the Singapore businessmen will see that Vietnam ardently desires to improve its relations with us.

### Attends State Banquet

*BK0111075991 Hanoi VNA in English 0654 GMT 1 Nov 91*

[Text] Hanoi VNA November 1—Singaporean Prime Minister Goh Chok Tong and his wife gave a state banquet at the presidential palace yesterday evening in honour of visiting Chairman of the Council of Ministers Vo Van Kiet and his party.

Singapore's senior minister Lee Kuan Yew and his wife were present at the function.

In his welcome speech, Prime Minister Goh Chok Tong said:

"It has been some thirteen years since a senior leader from the Socialist Republic of Vietnam visited us, and it is with great pleasure that I welcome you, your wife and your distinguished delegation to Singapore. Your visit is an indication that our relationship is changing. It will pave the way for a more constructive relationship between us.

"Nine days ago, an unhappy chapter in the history of Cambodia was closed with the signing of the final act of the Paris conference on Cambodia. Your visit today opens a new phase in relations between Singapore and Vietnam. Except for the Cambodian issue, there have been no bilateral problems between Singapore and Vietnam. We have always affirmed that Cambodia was the only obstacle in the way of better relations. For Singapore, Cambodia was a matter of vital principle. Now that the Cambodian peace agreement has been signed, we can look forward to a more positive relationship between our countries.

"I am confindent that links between Vietnam and Singapore can quickly grow and broaden. We have maintained trade between us. Now there is scope for more trade and economic cooperation in industry, tourism and services. We will consider Vietnam's needs for technical assistance within our Singapore cooperation programme. However, it is the private sector which can and will make the investments and expand business links across the board.

"Vietnam is an important Southeast Asian country with great potential. A peaceful and economically vibrant Vietnam is in the region's interest. Singapore wants to see Vietnam at peace with its neighbours, developing and prospering, and contributing to the overall vitality and stability of Southeast Asia. Then all will benefit.

"I have no doubt that you will achieve rapid development and prosperity through your own efforts, by pursuing the right economic policies and creating a conducive environment for growth. The 'doi moi' (reform) programm adopted by Vietnam in 1986 is a good beginning. Its successful implementation will broaden and deepen links between Vietnam and the other countries in the region."

Prime Minister Goh Chok Tong went on:

"International relationships are being reordered as a result of the profound and dramatic changes in the world. A new relationship between Vietnam and ASEAN is emerging against a very different world backdrop, a world without the cold war. Singapore welcomes Vietnam's desire to accede to the treaty of amity and cooperation. Constructive relations between Vietnam and ASEAN can eventually lead to a more relaxed strategic environment in Southeast Asia as Vietnam's economy and policies become more compatible with the ASEAN countries. This will mean peace and prosperity for our peoples. I am confident that Vietnam, Singapore and ASEAN will work together to bring this about."

## Deputy Minister on Visit, Ties

*BK0111122391 Hanoi Voice of Vietnam Network in Vietnamese 1100 GMT 1 Nov 91*

[Text] Concluding the friendship visit of Vo Van Kiet, chairman of the Council of Ministers, Vu Khoan, our deputy minister of foreign affairs, held a friendly meeting with Singaporean and foreign pressmen.

The deputy minister expressed the profound gratitude of the Vietnamese delegation at the solemn reception and generous hospitality of the Singaporean Government and at the fine results of the visit.

He said that in the talks, President Wee Kim Wee, Prime Minister Goh Chok Tong, and Former Prime Minister Lee Kuan Yew showed that they were paying close attention to the achievements scored by the renovation in Vietnam.

They affirmed that today, after the agreement on Cambodia was signed, there are no obstacles to bilateral relations.

The two sides emphasized their wish to develop the multi-faceted relations of politics, economy, commerce, transportation, and tourism. The two sides agreed to encourage contacts at different levels and sectors of the two countries. The Singaporean leaders said that they would encourage Singaporean businessmen to invest in Vietnam.

Both sides agreed to open embassies in the other's country, proceed with the signing of an agreement on aviation and tourist development, and begin negotiations on the draft agreement on economy and commerce, an agreement on guarantee and encouragement of investment, and an agreement on avoiding the doubling of tax. The leaders also expressed their readiness in sharing experiences in economic development and management.

Chairman Vo Van Kiet invited Prime Minister Goh Chok Tong and his wife to visit Vietnam. Prime Minister Goh Chok Tong happily accepted the invitation.

Chairman Vo Van Kiet and his accompanying delegation met many leading Singaporean businessmen, visited a Singaporean port, an oil refinery, a science center, and industrial complex Jurong.

## Symposium Held on Development in Asia, Singapore

*BK3110155191 Hanoi VNA in English 1524 GMT 31 Oct 91*

[Text] Hanoi VNA Oct.30—A symposium on economic development in Asia and Singapore's experiences was recently held in Ho Chi Minh City by the local college of economics and the Centre for Information on Natural Resources of Singapore under the sponsorship of the Hans-Seudel Organization in the Federal Republic of Germany. Nearly 150 economic managers and businessmen attended the symposium.

Dr. Lee Tsai Yuan, deputy directress of the Policy Research Centre and lecturer of the National University of Singapore dealt with the factors for Singapore's economic success including the industrialization plan policies on foreign investment, export, public finance, education, infrastructures, housing, etc.

## Ministers Attend Algerian Envoy's Reception

*BK3110151591 Hanoi VNA in English 1503 GMT 31 Oct 91*

[Text] Hanoi VNA Oct.31—Algerian Ambassador to Vietnam Mohamed Lamari and his wife gave a reception here this evening on the 37th anniversary of the revolution of Algeria (November 1).

Among these present at the reception were Nguyen Dinh Tu, secretary of the Communist Party of Vietnam Central Committee and president of the Vietnam-Algeria Friendship Association Tran Hong Quan, minister of education and training and Dinh Nho Liem, first deputy foreign minister.

Ambassador Mohamed Lamari and Minister Tran Hong Quan proposed toasts to the further consolidation and development of the friendship and cooperation between Vietnam and Algeria.

### eaders Send National Day Greetings to CSFR

*K0111103991 Hanoi Voice of Vietnam Network*
*n Vietnamese 1430 GMT 27 Oct 91*

Text] On 27 October, Council of State Chairman Vo hi Cong sent a congratulatory message to his excellency aclav Havel, president of the Council of State of the zech and Slovak Federal Republic on the occasion of he latter's national day. Vo Chi Cong wished prosperity nd happiness to the people of the CSFR and continued onsolidation and development of the friendly and cooprative ties between the states and peoples of the SRV nd the CSFR.

n the same day, Council of Ministers Chairman Vo an Kiet sent a congratulatory message to his excellency larian Calfa, prime minister of the CSFR Government.

oreign Minister Nguyen Manh Cam also sent his greetngs to Czech and Slovak Foreign Minister Jiri Dienstier on this occasion.

### Ianoi Set To Celebrate October Revolution

*K3110070091 Hanoi VNA in English 0630 GMT*
*1 Oct 91*

Text] Hanoi VNA October 31—A solemn meeting, a loral tribute to Lenin at his monument, art performances, film shows and cordial meetings with Soviet pecialists will be arranged in Hanoi on the occasion of he for the coming 74th anniversary of the October Revolution (November 7).

he Vietnam Union of Peace, Solidarity and Friendship Organizations, the Vietnam-USSR Friendship Associaion and other mass organizations together with their ranch organisations will also mark the occasion with iversified activities.

he celebration will be an occasion to reaffirm the great istorical significance and influence of the October Revlution to the world revolution in general and the ietnamese revolution in particular, and at the same ime to reaffirm the epochal value of Marxism-Leninism nd the determination of the entire Vietnamese party nd people to carry on the renovation policy.

his is also an occasion for the Vietnamese people to enew their traditional friendship and cooperation with he Soviet Union, their gratitude to the Soviet people for heir great and effective assistance to the Vietnamese evolution, and their desire to promote friendship and ooperation between the two countries on the basis of mutual benefits.

### aiwan Signs Joint-Maritime Processing Project

*K3110043091 Hanoi Voice of Vietnam in English*
*000 GMT 30 Oct 91*

Text] The Central Maritime Products Company under he Ministry of Maritime Products and (Shangshu) Ocenic Enterprise of Taiwan has entered into a joint venture specializing in offshore fishing and processing maritime products for export.

The joint venture, known as (Shangnam), has an investment of $7.4 million.

### Air Hong Kong To Begin Cargo Flights 16 Dec

*BK3110142491 Hanoi Voice of Vietnam in English*
*1000 GMT 31 Oct 91*

[Text] Air Hong Kong has started regular cargo flights to Vietnam, becoming the first local freight airline to this country. The airline will offer twice weekly flights to Ho Chi Minh City, starting December 16.

It will offer similar numbers of services to Hanoi from December 18.

### OPEC To Finance 2 Commodity Import Programs

*BK3010143191 Hanoi VNA in English 1424 GMT*
*30 Oct 91*

[Text] Hanoi VNA October 30—The OPEC Fund for International Devlopment and the Socialist Republic of Vietnam on October 25 signed two loan agreements to finance commodity imports programs. The loans, totaling USd [U.S. dollars] 16 million, are to be utilized to purchase fertilizers and petroleum products required to boost agricultural production for domestic consumption and for exports. The signature ceremony was at the fund's headquarters in Vienna.

These loans are the 3rd and 4th to be made by the OPEC fund to Vietnam. The two previous loans helped finance an irrigation scheme and a fisheries development project.

The signatories were Le Van Chau, deputy governor of the State Bank of Vietnam, and Osama Faqih, chairman of the OPEC fund's governing board and deputy minister for international economic cooperation of the Ministry of Finance and National Economy of Saudi Arabia.

### More Foreign Investment Projects Licensed

*BK3010081191 Hanoi VNA in English 0605 GMT*
*30 Oct 91*

[Text] Hanoi VNA October 30—Four more foreign investment projects were licenced last week by the State Commission for Foreign Cooperation and Investment. They include two projects in the industry sector, one in the construction sector [words indistinct] last one in the service sector, involving a total investment of 35.5 million U.S. dollars, 87 percent of which is contributed by the foreign partners.

The first industrial project is a joint venture in production, and export of coal extracted at the Dong Vong-Uong Thuong coal mine in the northern border province of Quang Ninh. The two partners to Vietnam's first joint venture in coal production are the Uong Bi Coal Corporation of the Vietnamese Ministry of Energy and the P.T.

Viet Mindo Energritama of Indonesia. This is also Indonesia's fifth investment project licenced so far in Vietnam since the law on foreign investment was first introduced in December 1987. This joint venture has an invested capital of 27 million U.S. dollars and a duration of 30 years.

The second industrial project also engages in mining. With the business name of Viet-Thai Precious Stone Company, the joint venture is licenced to prospect and extract precious stones from a marked off area at the mining area of Luc Yen district, in the northern province of Yen Bai. In addition, two workshops are to be set up in Yen Bai town and in Hanoi to process crude stones extracted at the mine. The three principals of the joint venture are the Yen Bai Industrial Sector's Geologists Group, the Vietnam Precious Stone Company under the Heavy Industry Ministry and the B.H. Mining Co. Ltd. of Thailand. The project has an investment totaling 2 million U.S. dollars and a duration of 12 years.

The joint venture in construction is between the Hanoi Publication Distribution Company and the Vietnam Development Ltd. of Hongkong. The joint venture with a total capital of 6.15 million U.S. dollars including 2.14 million U.S. dollars of prescribed capital and a duration of 21 years will build a multi-storeyed building for letting. Called the International Exchange Centre, the building will house foreign companies' representative office, residential flats and a business centre.

The last investment project is named Saigon Business Centre. The two partners to the joint venture, the Saigon Post Office in Ho Chi Minh City and the Vatti Investment Ltd. of Hongkong. [sentence as received] They are committed to provide telecommunications services and other clerical facilities ranging from telephone, telex, fax and computers to secretarial and translation services.

The project has an investment of 0.3 million U.S. dollars and a duration of five years.

## State Bank Seeks To Stabilize Gold Prices

*BK0111063091 Hanoi Voice of Vietnam Network in Vietnamese 1100 GMT 26 Oct 91*

[Text] The State Bank issued a notice on 24 October saying that of late, gold prices have undergone violent fluctuations. In order to solve this problem, the State Bank has released for sales in the local market a quantity of gold in the form of ornaments, each of which weighing less than half a tael of high-quality gold—99.99 percent [pure gold].

In addition, the bank has also taken other measures to implement its monetary and credit policies. These measures will contribute to stabilizing the prices of gold and other commodities.

## Qui Nhon Titanium Factory Background Detailed

*BK3110161691 Hanoi Vietnam Television Network in Vietnamese 1200 GMT 25 Oct 91*

[Text] Many deposits rich in titanium and rare minerals have formed along the coast of Binh Dinh Province. In the past few years, due to export demands, Binh Dinh Province has established a titanium factory of the industrial service. This ore is abundant in Phu Cat District, and in Nhan Ly, Bai Bang, and Bai Sot areas in Qui Nhon City. From manual work, the factory has gradually equipped the metallurgy and energy shops.

Since 1988, the factory has secured the Japanese market to expand production. Owing to exports, the factory has secured the necessary conditions for getting more equipment to expand production. The factory has high quality high output equipment that allows it to turn out products of the highest titanium density, thus gaining customers' trust. In a few years of production and marketing, the factory has sold more than 10,000 tonnes of titanium and has produced three new items such as magnetite, rare earth monazite, and silicate silicone with high density to serve industries in the country and abroad.

Owing to advantageous natural conditions in terms of raw materials and location near the Qui Nhon Port, the Qui Nhon titanium factory is capable of increasing annual production to 15,000 tonnes in coming years.

## Phan Van Khai at Tra Vinh Development Meeting

*BK3010070991 Hanoi Voice of Vietnam Network in Vietnamese 2300 GMT 26 Oct 91*

[Text] Recently in Hanoi, Phan Van Khai, standing vice chairman of the Council of Ministers, and officials of ministries and central organs heard a report from the chairman of the Cuu Long People's Committee on the planning of socioeconomic development in the Tra Vinh area. Tra Vinh is an area mainly inhabited by Khmer ethnic minority people.

At the meeting, in his conclusion speech, Vice Chairman Phan Van Khai stated that Tra Vinh is an area in which the Khmer people are living. That area also has more socioeconomic difficulties compared to Vinh Long or other areas in South Vietnam where the Khmer people are living.

Therefore, in the 1991-1995 plan, investment priority must be given to Tra Vinh rather than to other areas in South Vietnam. In this area, three main issues must be focused on: irrigation, transportation, and social welfare projects.

In order to have enough funds to carry through those projects, apart from funds allocated by government and contributed by the people, the Council of Ministers has authorized that money can be borrowed from other countries to implement the projects, particularly the Mang Thit Irrigation Project, projects to form production areas and areas for extensive rice cultivation, projects for replanning residential areas, and projects to restore and develop coastal mangrove forests.

With regard to the above-mentioned direction, the Council of Ministers instructs the State Planning Commission to work together with related ministries to set up concrete plans for the 1991-1995 period and for 1992.

## Le Kha Phieu at Ho Chi Minh Mausoleum Congress

*BK0111104591 Hanoi Vietnam Television Network in Vietnamese 1200 GMT 28 Oct 91*

[Text] Group 969 in charge of safeguarding the President Ho Chi Minh Mausoleum has convened its fourth second-round party organization congress. Lieutenant General Le Kha Phieu, member of the party Central Committee and head of the Political General Department, attended and directed the congress.

In implementing the special task of safeguarding and preserving President Ho Chi Minh's remains on behalf of the entire party and people, the group has gained concrete valuable experiences from 21 years of dedicated work.

As a result of 16 years of difficulties and challenges in party- and unit-building work, the group now has a contingent of cadres, combatants, and state employees with a firm political background and high professionalism. Routine tasks as well as unexpected assignments have all been satisfactorily fulfilled. Particularly, the task of ensuring absolute security for Uncle Ho's remains has been fulfilled in an outstanding fashion.

Faced with the complicated world developments, the congress set forth the orientations and tasks for the forthcoming term, devoting special efforts to strengthening and consolidating party leadership as well as to building truly pure and firm part; organizations so that the latter can play a key role in the drive to build comprehensively firm and strong units, achieve self-reliance and self-sufficiency, and meet the desire of the entire party and people to safeguard and preserve President Ho Chi Minh's remains.

## Hong Ha at Quang Ninh Province's Party Congress

*BK0111113991 Hanoi Voice of Vietnam Network in Vietnamese 1100 GMT 27 Oct 91*

[Text] Quang Ninh Province held its ninth second-round party congress on 22-28 October 1991. Comrade Hong Ha, member of the party Central Committee, and representatives from central organs and sectors attended the congress.

Over the past five years, the Quang Ninh party committee has made a great effort to improve its leading capacity, overcome difficulties, and make significant progress in the renovation undertaking, especially from 1989.

The province's socioeconomy has taken many progressive steps. The province has gradually rearranged the investment structure of its three economic projects. The province has also given priority to infrastructure projects and efficiently resolved harsh difficulties caused by shortages of food, consumer goods, accommodations, and means of transportation.

Quang Ninh has developed its advantages in coal production, sea port work, and tourism. It is also accelerating trade with China.

Quang Ninh has a market with diversified and plentiful commodities. The province's budget is basically balanced, meets the local people's requirements, and has begun to develop a credit balance.

The congress also mentioned shortcomings and mistakes in the party building work and in the socioeconomic management of the province. The economy is developing at a slow rate and does not foster much change in major industries. Food production has reached only 93.7 percent of the target set by the previous party congress. The province's industrial production has only reached 46 percent and its five-year export volume has only reached 82 percent of the target.

The work of management and the protection of natural resources and forests is still weak. The local people still worry about their employment prospects, social order and security, corruption, and social unjustice.

As regards the direction and duties in the years ahead, the ninth party congress of Quang Ninh Province outlined practical measures to develop the province's industry, agriculture, trading, service, and tourism.

Coal production is considered to be the main source of economic output in the area. Party committees in the coal sectors are to take positive measures to overcome difficulties, stabilize coal production, accelerate coal consumption in the nation, and actively seek foreign markets for coal export. They must also improve their productivity in relation to capital investment and must improve the productive use of equipment in coal production, upgrade coal quality, reduce production costs, and expand and improve local coal production.

On behalf of the party secretariat, Comrade Hong Ha praised the efforts and achievements scored by the party committee, people, and soldiers of Quang Ninh Province. He also reminded the party committee to extract more practical lessons in the future.

## Chi Lang TV Reception Station Completed

*BK0111090691 Hanoi Voice of Vietnam Network in Vietnamese 0500 GMT 27 Oct 91*

[Text] In Lang Son Province, following the completion of a television relay station, Chi Lang District has just finished building a station to receive direct color television programs via satellite made possible through the use of a 3.2 meter-diameter parabolic antenna erected on a hill more than 100 meters high in Dong Mo Township, which is located at the heart of the district.

The station has received different color television programs highly reliable both in terms of picture and sound.

## VNA Reviews Hanoi Newspapers for 31 Oct

*BK3110071091 Hanoi VNA in English 0621 GMT 31 Oct 91*

[Text] Hanoi VNA Oct. 31— Newspapers here today run a communique released yesterday by the Vietnam Foreign Ministry as saying that General Secretary of the Communist Party of Vietnam Central Committee Do Muoi and Chairman of the Council of Ministers Vo Van Kiet will lead a high-level Vietnamese delegation for an official visit to China from November 5-9.

Large coverage is given to the Vietnam-Thailand joint communique released in Bangkok Wednesday at the end of a three-day official friendship visit to Thailand by Chairman of the Council of Ministers Vo Van Kiet. The communique says, among other things, "With peace returning to Cambodia, the two sides shared the view that for the first time in recent history the contries in the region were presented with an unprecedented opportunity to work together in the making of a new Southeast Asia."

The papers also report on Chairman Vo Van Kiet's visit to Phatthaya resort city and his tours of a number of production establishments in Thailand on October 29.

The State Council is reported to have met here from Oct. 28-29 to decide to convene the coming session of the National Assembly in early December of this year.

In an interview with VIETNAM NEWS AGENCY, a Vietnamese Foreign Ministry spokesperson said that Vietnam welcomed the peace conference on the Middle East opened in Madrid yesterday to settle the conflicts remained in the region over the past 40 years.

Other reports are about preparations for marking the 74th anniversary of the Russian October Revolution in Vietnam, a relief aid granted by CIDSE [Cooperation Internationale Pour le Development et la Solidarite] to Bac Thai and Thanh Hoa provinces which had faced food shortage, the OPEC Fund for International Development's $16 million loan to Vietnam to finance its commodity imports programmes and an exhibition on Polish scientific, technical, cultural and art books opened in Hanoi on Oct. 29.

Prominent foreign reports concern Chinese President Yang Shangkun's visit to Iran and a Soviet-U.S. summit meeting in Madrid on Oct. 29.

## VNA Reviews Hanoi Newspapers for 1 Nov

*BK0111081391 Hanoi VNA in English 0644 GMT 1 Nov 91*

[Text] Hanoi VNA Nov. 1—Newspapers here today continue covering Premier Vo Van Kiet's official visit to Thailand. On October 30 he and his wife were granted an audience by King Phumiphon Adunyadet of Thailand.

Pride of place is given to Premier Vo Van Kiet's arrival in Singapore on Wednesday evening to begin a two-day official visit there. The next day talks were held between Premier Vo Van Kiet and his Singaporean counterpart Mr. Goh Chok Tong.

The papers publish a message of congratulations on Thursday from State Council President Vo Chi Cong to President Chadli Bendjedid on the 37th anniversary of the Algerian revolution (November 1). Algerian Ambassador to Vietnam Mohamed Lamari and his wife gave a reception in honour of the anniversary, the papers report.

Other reports are about the prolonged sweeping floods in the Mekong River Delta last month which caused the loss of 136 lives and material damage estimated at some VN [Vietnasmese] dong 500 billion, and a course on foreign exchange market jointly held in Ho Chi Minh City by Citibank and Standard Chartered Bank of Great Britain.

## Fiji

### Rabuka Surprised Over Election as Party Leader

*BK0111073491 Melbourne Radio Australia in English 0500 GMT 1 Nov 91*

[Text] Fiji's former coup leader, Major General Sitiveni Rabuka, has expressed surprise over his election yesterday as head of the Fijian Political Party, which is sponsored by the country's chiefs. Pacific correspondent Eleanor Reddin reports that the man who led the two military coups in 1987 is now in a good position to take power legitimately as Fiji's next prime minister.

[Begin Reddin recording] Maj. Gen. Rabuka, who is also a co-deputy prime minister, said his win reflected the freedom of expression that was present at the party's first convention. He added that there was no disrespect to the chiefs in his election win over Adi Lady Lala Mara, one of Fiji's three paramount chiefs and wife of Fiji's current prime minister Ratu Sir Kamisese Mara.

Gen. Rabuka left the Army to join the cabinet last July, a risk even he was saying a few weeks ago did not look as if it would pay off. However, Gen. Rabuka received nine votes to the six won by his nearest rival, Adi Lady Lala. This puts Gen. Rabuka in a good position to lead Fiji after next year's elections because the Fijian Political Party is expected to pick up most of the seats. His main rival and co-deputy prime minister, Josefata Kamikamica, did not contest but is still a strong contender for the prime ministership. [end recording]

### Says May Quit Cabinet

*BK0111095091 Hong Kong AFP in English 0939 GMT 1 Nov 91*

[Text] SUVA, Nov 1 (AFP)—Fiji's Deputy Prime Minister Sitiveni Rabuka said Friday he was willing to resign his cabinet post to consolidate a power-base for the Fijian Political Party [FPP], which has chosen him to lead it into next year's election. Rabuka, who won the endorsement of indigenous chiefs as their party president on Thursday, also disclosed plans for an alliance with other political groups after the elections, which are expected in March.

He singled out the General Voters Party—representing minority Chinese and part-Europeans—as a possible coalition partner. The election will be held under the new constitution, promulgated last year, which guarantees ethnic Fijians 37 of the 70 seats in parliament, with 27 going to ethnic Indians and six to Chinese and European communities.

The poll will be the first since 1987, when Rabuka, then army commander, overthrew Fiji's last elected government and installed an interim administration. Rabuka said he could not say whether he would automatically become prime minister if the FPP won the elections. "That will have to be the decision of the party's management board and it's candidates," he said.

The other deputy premier, Josevata Kamikamica, "is still very much in the race," Rabuka said. "To know that people were behind me even though I was up against chiefs has been a very humbling experience to me."

Rabuka, 41, a commoner Fijian, rated the government-founded and chiefs-sponsored FPP as having "very good chances of winning elections." He said to win elections his party would accept offers to form coalitions with other parties. About six political parties are expected to contest the elections.

Opposition Indian parties said Rabuka's appointment was a "risky choice" and was despite his earlier criticism that the FPP was incapable of winning.

## New Caledonia

### SPC Delegates Choose New General Secretary

*BK3010111791 Hong Kong AFP in English 1020 GMT 30 Oct 91*

[Text] Nuku'alofa, Tonga, Oct 30 (AFP)—Jacques Iekawe, New Caledonia's prefect responsible for regional cooperation, was chosen Wednesday to become the South Pacific Commission's (SPC) next general secretary. Iekawe, consensually selected by delegates attending the 31st South Pacific Ministerial Conference here, will succeed current general secretary Atanraoi Baiteke of Kiribati, whose three-year term expires at the end of next June.

Born in 1946 on the island of Tiga, the smallest of the Loyalty islands to the east of New Caledonia, Iekawe has held several posts in the territory's administration. A former general secretary of France's South Pacific territories, he was appointed prefect for regional cooperation and economic development in March 1990.

Iekawe is the first New Caledonian national to be selected general secretary of the CPS, an organization which groups 27 countries and governments from the South Pacific region.

Meanwhile, a decision on the future site of the CPS's headquarters was Wednesday postponed to an extraordinary ministerial conference to be held next May in Noumea. An eleventh-hour proposal from the Fijian delegation to site the headquarters in Fiji and finance its construction, caused the delegates to postpone a secret ballot on the issue.

The vote was called by Tonga's interim prime minister and president of the ministerial conference, Langi Kavakilu, but was turned down by the delegates. The issue of where to site the CPS's headquarters, currently located in Noumea, has been discussed by the organization since 1976. The question dominated debate during the 30th ministerial conference at Noumea in 1990, but was not resolved. The conference's 32nd meeting will be held in Fiji in 1992.